

07-10-1998



ONLY 481-40-482-950
350

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To the Honorable Commission

100759298

of the attached original documents or copy thereof.

1. Name of conveying party(ies):
Syquest Technology, Inc.
47071 Bayside Parkway
Fremont, California 94538

- Individual(s)
- General Partnership
- Corporation-State Delaware
- 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: June 16, 1998

2. Name and address of receiving party(ies)
Greyrock Business Credit, a Division of
Name: NationsCredit Commercial Corporation

Internal Address:
Street Address: 10880 Wilshire Boulevard
Suite 950
City: Los Angeles State: CA ZIP: 90024

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

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

(Designations must be a separate document from assignment)

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

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

A. Trademark Application No.(s)

SEE ATTACHED EXHIBIT "A"

B. Trademark Registration No.(s)

SEE ATTACHED EXHIBIT "A"

Additional numbers attached? Yes No

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

Name: Levy, Small & Lallas

Internal Address:

Attn: Walter R. Mitchell, Esq.

Street Address: 815 Moraga Drive

City: Los Angeles State: CA ZIP: 90049

6. Total number of applications and registrations involved:

11

7. Total fee (37 CFR 3.41).....\$ 290.00

- Enclosed
- Authorized to be charged to deposit account

8. Deposit account number:

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

07/10/1998 SMITH 00000079 1962141

01 FC:481
02 FC:482

40.00 OP
250.00 OP

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.

Walter R. Mitchell, Esq.
Name of Person Signing

Signature

July 7, 1998
Date

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

12

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

Commissioner of Patents & Trademarks, Box Assignments

Washington, D.C. 20231

REEL: 1751 FRAME: 0071

Exhibit "A"

REGISTERED TRADEMARKS

<u>Trademark</u>	<u>Registration Date</u>	<u>Registration No.</u>
SYDOS (Block Letters) Intent	March 12, 1996	1,962,141
SYDOS A DIVISION OF SYQUEST TEC	June 27, 1995	1,901,549
IOTA	May 12, 1992	1,795,637
SYQUEST	March 26, 1985	1,339,056
SYQUEST and DESIGN	April 2, 1985	1,342,356
MISCELLANEOUS DESIGN	April 28, 1992	1,701,586
SQM (Intent to Use)	May 19, 1992	1,851,890

PENDING TRADEMARKS

<u>Trademark</u>	<u>Registration Date</u>	<u>Registration No.</u>
SYDOS (STYLIZED) (Intent)	Pending	74/168977
SYMAC (Intent)	Pending	74/485166
EZ135 DRIVE (Intent to Use)	Pending	74/678907
EZ135 (Intent to Use)	Pending	74/678904

**SUPPLEMENT
TO
PATENT AND TRADEMARK SECURITY AGREEMENT**

This SUPPLEMENT TO PATENT AND TRADEMARK SECURITY AGREEMENT ("Agreement"), dated as of June 16, 1998 is entered into between **SYQUEST TECHNOLOGY, INC.**, a Delaware corporation ("Grantor"), which has a mailing address at 47071 Bayside Parkway, Fremont, California 94538, and **GREYROCK BUSINESS CREDIT**, a Division of NationsCredit Commercial Corporation ("GBC"), which has a mailing address at 10880 Wilshire Blvd., Suite 950, Los Angeles, CA 90024.

RECITALS

A. Grantor and GBC previously entered into that certain Loan and Security Agreement dated January 17, 1996 ("Loan Agreement") and other instruments, documents and agreements contemplated thereby or related thereto (collectively, together with the Loan Agreement, the "Loan Documents"); and

B. Grantor and GBC previously entered into a Patent and Trademark Security Agreement dated as of March 15, 1996 (the "Original Agreement"), which was recorded in the U.S. Patent and Trademark Office on June 11, 1996, Reel/Frame 1473/0302, with respect to the trademarks identified therein and on July 10, 1996, Reel/Frame 7920/0120, with respect to the patents identified therein; and

C. Grantor and GBC previously entered into an Amended and Restated Patent and Trademark Security Agreement dated as of March 15, 1996 (the "Amended Agreement"), which was recorded in the U.S. Patent and Trademark Office on October 15, 1997, Reel/Frame 8755/0982 with respect to the patents identified therein; and

D. Grantor is the owner of certain additional intellectual property, identified below, in which Grantor is granting a security interest to GBC; and

E. This Agreement contains the same provisions as the Original Agreement, as amended by the Amended Agreement, except for Section 3.1, which reflects the supplementation of Exhibit B to the Original Agreement and Exhibit B-1 to the Amended Agreement, by the addition of the patent set forth on Exhibit B-2 attached hereto. The Original Agreement, as amended by the Amended Agreement, shall continue in full force and effect with respect to the Collateral described therein.

NOW THEREFORE, in consideration of the mutual promises, covenants, conditions, representations, and warranties hereinafter set forth and for other good and valuable consideration, the parties hereto mutually agree as follows:

1. DEFINITIONS AND CONSTRUCTION.

1.1 Definitions. The following terms, as used in this Agreement, have the following meanings:

"Code" means the California Uniform Commercial Code, as amended and supplemented from time to time, and any successor statute.

"Collateral" means all of the following, whether now owned or hereafter acquired:

(i) Each of the trademarks and rights and interest which are capable of being protected as trademarks (including trademarks, service marks, designs, logos, indicia, tradenames, corporate names, company names, business names, fictitious business names, trade styles, and other source or business identifiers, and applications pertaining thereto), which are presently, or in the future may be, owned, created, acquired, or used (whether pursuant to a license or otherwise) by Grantor, in whole or in part, and all trademark rights with respect thereto throughout the world, including all proceeds thereof (including license royalties and proceeds of infringement suits), and rights to renew and extend such trademarks and trademark rights;

(ii) Each of the patents and patent applications which are presently, or in the future may be, owned, issued, acquired, or used (whether pursuant to a license or otherwise) by Grantor, in whole or in part, and all patent rights with respect thereto throughout the world, including all proceeds thereof (including license royalties and proceeds of infringement suits), foreign filing rights, and rights to extend such patents and patent rights;

(iii) All of Grantor's right to the trademarks and trademark registrations listed on Exhibit A attached hereto, as the same may be updated hereafter from time to time;

(iv) All of Grantor's right, title, and interest, in and to the patents and patent applications listed on Exhibit B attached to the Original Agreement, as supplemented by Exhibit B-1 attached to the Amended Agreement and by Exhibit B-2 attached hereto, as the same may be updated hereafter from time to time;

(v) All of Grantor's right, title and interest to register trademark claims under any state or federal trademark law or regulation of any foreign country and to apply for, renew, and extend the trademark registrations and trademark rights, the right (without obligation) to sue or bring opposition or cancellation proceedings in the name of Grantor or in the name of GBC for past, present, and future infringements of the trademarks, registrations, or trademark rights and all rights (but not obligations) corresponding thereto in the United States and any foreign country;

(vi) All of Grantor's right, title, and interest in all patentable inventions, and to file applications for patent under federal patent law or regulation of any foreign country, and to request reexamination and/or reissue of the patents, the right (without obligation) to sue or bring interference proceedings in the name of Grantor or in the name of GBC for past, present, and future infringements of the patents, and all rights (but not obligations) corresponding thereto in the United States and any foreign country;

(vii) the entire goodwill of or associated with the businesses now or hereafter conducted by Grantor connected with and symbolized by any of the aforementioned properties and assets;

(viii) All general intangibles relating to the foregoing and all other intangible intellectual or other similar property of the Grantor of any kind or nature, associated with or arising out of any of the aforementioned properties and assets and not otherwise described above; and

(ix) All products and proceeds of any and all of the foregoing (including, without limitation, license royalties and proceeds of infringement suits) and, to the extent

not otherwise included, all payments under insurance, or any indemnity, warranty, or guaranty payable by reason of loss or damage to or otherwise with respect to the Collateral.

"**Obligations**" means all obligations, liabilities, and indebtedness of Grantor to GBC, whether direct, indirect, liquidated, or contingent, and whether arising under this Agreement, the Loan Agreement, any other of the Loan Documents, or otherwise, including all costs and expenses described in Section 9.8 hereof.

1.2 Construction. Unless the context of this Agreement clearly requires otherwise, references to the plural include the singular, references to the singular include the plural, and the term "including" is not limiting. The words "hereof," "herein," "hereby," "hereunder," and other similar terms refer to this Agreement as a whole and not to any particular provision of this Agreement. Any initially capitalized terms used but not defined herein shall have the meaning set forth in the Loan Agreement. Any reference herein to any of the Loan Documents includes any and all alterations, amendments, extensions, modifications, renewals, or supplements thereto or thereof, as applicable. Neither this Agreement nor any uncertainty or ambiguity herein shall be construed or resolved against GBC or Grantor, whether under any rule of construction or otherwise. On the contrary, this Agreement has been reviewed by Grantor, GBC, and their respective counsel, and shall be construed and interpreted according to the ordinary meaning of the words used so as to fairly accomplish the purposes and intentions of GBC and Grantor. Headings have been set forth herein for convenience only, and shall not be used in the construction of this Agreement.

2. GRANT OF SECURITY INTEREST.

To secure the complete and timely payment and performance of all Obligations, and without limiting any other security interest Grantor has granted to GBC, Grantor hereby grants, assigns, and conveys to GBC a security interest in Grantor's entire right, title, and interest in and to the Collateral.

3. REPRESENTATIONS, WARRANTIES AND COVENANTS.

Grantor hereby represents, warrants, and covenants that:

3.1 Trademarks; Patents. A true and complete schedule setting forth all federal and state trademark registrations owned or controlled by Grantor or licensed to Grantor is set forth on Exhibit A attached hereto; and a true and complete schedule setting forth all patents and patent applications owned or controlled by Grantor or licensed to Grantor is set forth on Exhibit B to the Original Agreement, as supplemented by Exhibit B-1 attached to the Amended Agreement and by Exhibit B-2 attached hereto (Exhibit B to the Original Agreement, as supplemented by Exhibit B-1 attached to the Amended Agreement and by Exhibit B-2 attached hereto, is hereinafter referred to as Exhibit B).

3.2 Validity; Enforceability. Each of the patents and trademarks is valid and enforceable, and Grantor is not presently aware of any past, present, or prospective claim by any third party that any of the patents or trademarks are invalid or unenforceable, or that the use of any patents or trademarks violates the rights of any third person, or of any basis for any such claims.

3.3 Title. Grantor is the sole and exclusive owner of the entire and unencumbered right, title, and interest in and to each of the patents, patent applications, trademarks, and trademark registrations, free and clear of any liens, charges, and encumbrances, including pledges, assignments, licenses, shop rights, and covenants by Grantor not to sue third persons.

3.4 Notice. Grantor has used and will continue to use proper statutory notice in connection with its use of each of the patents and trademarks.

3.5 Quality. Grantor has used and will continue to use consistent standards of high quality (which may be consistent with Grantor's past practices) in the manufacture, sale, and delivery of products and services sold or delivered under or in connection with the trademarks, including, to the extent applicable, in the operation and maintenance of its merchandising operations, and will continue to maintain the validity of the trademarks.

3.6 Perfection of Security Interest. Except for the filing of a financing statement with the Secretary of State of California and filings with the United States Patent and Trademark Office necessary to perfect the security interests created hereunder, no authorization, approval, or other action by, and no notice to or filing with, any governmental authority or regulatory body is required either for the grant by Grantor of the security interest hereunder or for the execution, delivery, or performance of this Agreement by Grantor or for the perfection of or the exercise by GBC of its rights hereunder to the Collateral in the United States.

4. AFTER-ACQUIRED PATENT OR TRADEMARK RIGHTS.

If Grantor shall obtain rights to any new trademarks, any new patentable inventions or become entitled to the benefit of any patent application or patent for any reissue, division, or continuation, of any patent, the provisions of this Agreement shall automatically apply thereto. Grantor shall give prompt notice in writing to GBC with respect to any such new trademarks or patents, or renewal or extension of any trademark registration. Grantor shall bear any expenses incurred in connection with future patent applications or trademark registrations. Without limiting Grantor's obligation under this Section 4, Grantor authorizes GBC to modify this Agreement by amending Exhibits A or B to include any such new patent or trademark rights. Notwithstanding the foregoing, no failure to so modify this Agreement or amend Exhibits A or B shall in any way affect, invalidate or detract from GBC's continuing security interest in all Collateral, whether or not listed on Exhibits A or B.

5. LITIGATION AND PROCEEDINGS.

Grantor shall commence and diligently prosecute in its own name, as the real party in interest, for its own benefit, and its own expense, such suits, administrative proceedings, or other action for infringement or other damages as are in its reasonable business judgment necessary to protect the Collateral. Grantor shall provide to GBC any information with respect thereto requested by GBC. GBC shall provide at Grantor's expense all necessary cooperation in connection with any such suits, proceedings, or action, including, without limitation, joining as a necessary party. Following Grantor's becoming aware thereof, Grantor shall notify GBC of the institution of, or any adverse determination in, any proceeding in the United States Patent and Trademark Office, or any United States, state, or foreign court regarding Grantor's claim of ownership in any of the patents or trademarks, its right to apply for the same, or its right to keep and maintain such patent or trademark rights.

6. POWER OF ATTORNEY.

Grantor hereby appoints GBC as Grantor's true and lawful attorney, with full power of substitution, to do any or all of the following, in the name, place and stead of Grantor: (a) file this Agreement (or an abstract hereof) or any other document describing GBC's interest in the Collateral with the United States Patent and Trademark Office; (b) execute any modification of this Agreement pursuant to Section 4 of this Agreement; (c) take any action and execute any instrument which GBC may deem necessary or advisable to accomplish the purposes of this Agreement; and (d) following an Event of Default (as defined in the Loan Agreement), (i) endorse Grantor's name

on all applications, documents, papers and instruments necessary for GBC to use or maintain the Collateral; (ii) ask, demand, collect, sue for, recover, impound, receive, and give acquittance and receipts for money due or to become due under or in respect of any of the Collateral; (iii) file any claims or take any action or institute any proceedings that GBC may deem necessary or desirable for the collection of any of the Collateral or otherwise enforce GBC's rights with respect to any of the Collateral, and (iv) assign, pledge, convey, or otherwise transfer title in or dispose of the Collateral to any person.

7. RIGHT TO INSPECT.

Grantor grants to GBC and its employees and agents the right to visit Grantor's plants and facilities which manufacture, inspect, or store products sold under any of the patents or trademarks, and to inspect the products and quality control records relating thereto at reasonable times during regular business hours.

8. SPECIFIC REMEDIES.

Upon the occurrence of any Event of Default (as defined in the Loan Agreement), GBC shall have, in addition to, other rights given by law or in this Agreement, the Loan Agreement, or in any other Loan Document, all of the rights and remedies with respect to the Collateral of a secured party under the Code, including the following:

8.1 Notification. GBC may notify licensees to make royalty payments on license agreements directly to GBC.

8.2 Sale. GBC may sell or assign the Collateral and associated goodwill at public or private sale for such amounts, and at such time or times as GBC deems advisable. Any requirement of reasonable notice of any disposition of the Collateral shall be satisfied if such notice is sent to Grantor five (5) days prior to such disposition. Grantor shall be credited with the net proceeds of such sale only when they are actually received by GBC, and Grantor shall continue to be liable for any deficiency remaining after the Collateral is sold or collected. If the sale is to be a public sale, GBC shall also give notice of the time and place by publishing a notice one time at least five (5) days before the date of the sale in a newspaper of general circulation in the county in which the sale is to be held. To the maximum extent permitted by applicable law, GBC may be the purchaser of any or all of the Collateral and associated goodwill at any public sale and shall be entitled, for the purpose of bidding and making settlement or payment of the purchase price for all or any portion of the Collateral sold at any public sale, to use and apply all or any part of the Obligations as a credit on account of the purchase price of any collateral payable by GBC at such sale.

9. GENERAL PROVISIONS.

9.1 Effectiveness. This Agreement shall be binding and deemed effective when executed by Grantor and GBC.

9.2 Notices. Except to the extent otherwise provided herein, all notices, demands, and requests that either party is required or elects to give to the other shall be in writing and shall be governed by the notice provisions of the Loan Agreement.

9.3 No Waiver. No course of dealing between Grantor and GBC, nor any failure to exercise nor any delay in exercising, on the part of GBC, any right, power, or privilege under this Agreement or under the Loan Agreement or any other agreement, shall operate as a waiver. No single or partial exercise of any right, power, or privilege under this Agreement or under the Loan

Agreement or any other agreement by GBC shall preclude any other or further exercise of such right, power, or privilege or the exercise of any other right, power, or privilege by GBC.

9.4 Rights Are Cumulative. All of GBC's rights and remedies with respect to the Collateral whether established by this Agreement, the Loan Agreement, or any other documents or agreements, or by law shall be cumulative and may be exercised concurrently or in any order.

9.5 Successors. The benefits and burdens of this Agreement shall inure to the benefit of and be binding upon the respective successors and permitted assigns of the parties; provided that Grantor may not transfer any of the Collateral or any rights hereunder, without the prior written consent of GBC, except as specifically permitted hereby.

9.6 Severability. The provisions of this Agreement are severable. If any provision of this Agreement is held invalid or unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such provision, or part thereof, in such jurisdiction, and shall not in any manner affect such provision or part thereof in any other jurisdiction, or any other provision of this Agreement in any jurisdiction.

9.7 Entire Agreement. This Agreement is subject to modification only by a writing signed by the parties, except as provided in Section 4 of this Agreement. To the extent that any provision of this Agreement conflicts with any provision of the Loan Agreement, the provision giving GBC greater rights or remedies shall govern, it being understood that the purpose of this Agreement is to add to, and not detract from, the rights granted to GBC under the Loan Agreement. This Agreement, the Loan Agreement, and the documents relating thereto comprise the entire agreement of the parties with respect to the matters addressed in this Agreement.

9.8 Fees and Expenses. Grantor shall pay to GBC on demand all costs and expenses that GBC pays or incurs in connection with the negotiation, preparation, consummation, administration, enforcement, and termination of this Agreement, including: (a) reasonable attorneys' and paralegals' fees and disbursements of counsel to GBC; (b) costs and expenses (including reasonable attorneys' and paralegals' fees and disbursements) for any amendment, supplement, waiver, consent, or subsequent closing in connection with this Agreement and the transactions contemplated hereby; (c) costs and expenses of lien and title searches; (d) taxes, fees, and other charges for filing this Agreement at the United States Patent and Trademark Office, or for filing financing statements, and continuations, and other actions to perfect, protect, and continue the security interest created hereunder; (e) sums paid or incurred to pay any amount or take any action required of Grantor under this Agreement that Grantor fails to pay or take; (f) costs and expenses of preserving and protecting the Collateral; and (g) costs and expenses (including reasonable attorneys' and paralegals' fees and disbursements) paid or incurred to enforce the security interest created hereunder, sell or otherwise realize upon the Collateral, and otherwise enforce the provisions of this Agreement, or to defend any claims made or threatened against the GBC arising out of the transactions contemplated hereby (including preparations for the consultations concerning any such matters). The foregoing shall not be construed to limit any other provisions of this Agreement or the Loan Documents regarding costs and expenses to be paid by Grantor. The parties agree that reasonable attorneys' and paralegals' fees and costs incurred in enforcing any judgment are recoverable as a separate item in addition to fees and costs incurred in obtaining the judgment and that the recovery of such attorneys' and paralegals' fees and costs is intended to survive any judgment, and is not to be deemed merged into any judgment.

9.9 Indemnity. Grantor shall protect, defend, indemnify, and hold harmless GBC and GBC's assigns from all liabilities, losses, and costs (including without limitation reasonable attorneys' fees) incurred or imposed on GBC relating to the matters in this Agreement.

STATE OF CALIFORNIA)
) ss.
COUNTY OF Alameda)

On June 16, 1998, 1998, before me, Jean King
Michael H. Momen, Notary Public, 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

Jean King
(Seal)



STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

On JULY 7, 1998, before me, KATHERINE B. ROGERS
BRIAN LEVI, Notary Public, 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

Katherine B. Rogers
(Seal)

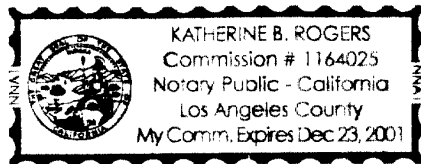


Exhibit "A"

REGISTERED TRADEMARKS

<u>Trademark</u>	<u>Registration Date</u>	<u>Registration No.</u>
SYDOS (Block Letters) Intent	March 12, 1996	1,962,141
SYDOS A DIVISION OF SYQUEST TEC	June 27, 1995	1,901,549
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EZ135 DRIVE (Intent to Use)	Pending	74/678907
EZ135 (Intent to Use)	Pending	74/678904

Exhibit "B-2"

SUPPLEMENTAL LIST OF PATENTS

<u>Patent Description/Title</u>	<u>Issue/Filing Date</u>	<u>Application/ Patent No.</u>
Removable Cartridge Which May Be Mounted to a Disk Drive Spindle Motor Without Relative Movement Between the Motor and a Housing of the Cartridge	Filed: October 26, 1994 Issued: March 3, 1998	5,724,216