

11-20-1998

ER SHEET JULY



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To the Honorable Commissioner

the attached original documents or copy thereof.

1. Name of conveying party(ies):

Butterfly VLSI Ltd.

11/16/98

- Individual(s), General Partnership, Corporation-State, Other Israeli Company

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

2. Name and address of receiving party(ies)

Name: NationsCredit Commercial Corporation Internal Address: Suite 950 Street Address: 10880 Wilshire Blvd. City: Los Angeles State: CA ZIP: 90024

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

3. Nature of conveyance:

- Assignment, Security Agreement, Other, Merger, Change of Name

Execution Date: October 15, 1995

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

A. Trademark Application No.(s)

75-348728 75-348729

B. Trademark Registration No.(s)

Additional numbers attached? Yes No

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

Name: Ms. Patricia Marquez

Internal Address: Brobeck, Phleger & Harrison LLP

Street Address: One Market Spear Street Tower

City: San Francisco State: CA ZIP: 94105 11/19/1998 DNGUYEN 00000174 75348728

6. Total number of applications and registrations involved: 2

7. Total fee (37 CFR 3.41).....\$ 65.00

- Enclosed, Authorized to be charged to deposit account

8. Deposit account number:

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

01 FC:481 40.00 OP 02 FC:482 25.00 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.

Patricia Marquez Name of Person Signing

Patricia Marquez Signature

11/10/98 Date

Total number of pages including cover sheet, attachments, and document: 16

PATENT AND TRADEMARK SECURITY AGREEMENT

This PATENT AND TRADEMARK SECURITY AGREEMENT (this "Agreement"), dated as of October 15, 1998, is entered into between Butterfly VLSI Ltd., a company organized under the laws of Israel ("Grantor"), which has a mailing address at 12 Derech Hasharon Street, Kfar Saba, 44150, Israel, and **GREYROCK CAPITAL, A DIVISION OF NATIONSCREDIT COMMERCIAL CORPORATION ("GC")**, which has a mailing address at 10880 Wilshire Boulevard, Suite 950, Los Angeles, CA 90024.

RECITALS

A. Butterfly Communications, Inc. ("Subsidiary") and GC have entered into that certain Loan and Security Agreement of even date herewith (as amended from time to time, the "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 is the owner of certain intellectual property, identified below, in which Grantor is granting a security interest to GC to secure Grantor's obligations under and in connection with that certain Guaranty of even date herewith made by Grantor in favor of GC (as amended from time to time, the "Guaranty") guaranteeing the obligations of Subsidiary under the Loan Documents.

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, title and interest in and 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 hereto, as the same may be updated hereafter from time to time;

(v) All of Grantor's right 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 GC 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 all of Grantor's right 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 GC 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 or 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 GC, whether direct, indirect, liquidated, or contingent, and whether arising under this Agreement, the Security Agreement, any other of the Loan Documents, or otherwise, including all costs and expenses described in Section 9.7 hereof.

“Security Agreement” means the Security Agreement dated October __, 1998, between Grantor and GC, as the same may be amended from time to time in accordance with its terms.

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 Security Agreement. Any reference herein to the Security Agreement or any other document or agreement includes any and all alterations, amendments, extensions, modifications, renewals, or supplements thereto or thereof, as applicable. Headings have been set forth herein for convenience only.

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 GC, Grantor hereby hypothecates to GC and grants, assigns, and conveys to GC 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, together with a summary description and full information in respect of the filing or issuance thereof and expiration dates is set forth on Exhibit A; and a true and complete schedule setting forth all patent and patent applications owned or controlled by Grantor or licensed to Grantor, together with a summary description and full information in respect of the filing or issuance thereof and expiration dates is set forth on Exhibit B.

3.2 Validity; Enforceability. Except as set forth on Schedule 3.2, each of the patents and trademarks is valid and enforceable, and, except as previously disclosed to GC in writing, 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. Except as previously disclosed to GC in writing, 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 GC 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 GC with respect to any such new trademarks or patents, or renewal or extension of any trademark registration. Upon request of GC from time to time, Grantor agrees to provide GC with a report, signed by the president, chief financial officer or secretary of Grantor, in form and substance satisfactory to GC, as to any such new patent or trademark rights, which report, among other things, shall have attached thereto updated information for the Exhibits hereto. 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 GC 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 GC's continuing security interest in all Collateral, whether or not listed on Exhibit 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 GC any information with respect thereto requested by GC. GC 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 GC 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 GC 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 GC'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 GC may deem necessary or advisable to accomplish the purposes of this Agreement; and (d) following an Event of Default (as defined in the Security Agreement), (i) endorse Grantor's name on all applications, documents, papers and instruments necessary for GC 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 GC may deem necessary or desirable for the collection of any of the Collateral or otherwise enforce GC'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 GC 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 Security Agreement), GC shall have, in addition to any other rights given by law or in this Agreement, the Security Agreement, any Loan Document or in any other document or instrument, all of the rights and remedies with respect to the Collateral of a secured party under the Code, including the following:

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

8.2 Sale. GC may sell or assign the Collateral and associated goodwill at public or private sale for such amounts, and at such time or times as GC deems advisable. Any requirement of reasonable notice of any disposition of the Collateral shall be satisfied if such

notice is sent to Grantor seven (7) days prior to such disposition. Grantor shall be credited with the net proceeds of such sale only when they are actually received by GC, 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, GC shall also give notice of the time and place by publishing a notice one time at least seven (7) 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, GC 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 GC at such sale.

9. GENERAL PROVISIONS.

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

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

9.3 No Waiver. No course of dealing between Grantor and GC, nor any failure to exercise nor any delay in exercising, on the part of GC, any right, power, or privilege under this Agreement or under the Security 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 Security Agreement or any other agreement by GC shall preclude any other or further exercise of such right, power, or privilege or the exercise of any other right, power, or privilege by GC.

9.4 Rights Are Cumulative. All of GC's rights and remedies with respect to the Collateral whether established by this Agreement, the Security 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 GC, 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 Security Agreement, the

provision giving GC 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 GC under the Security Agreement. This Agreement, the Security 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 GC on demand all costs and expenses that the GC 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 GC; (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 GC 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, the Guaranty, the Security Agreement or any other agreement 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 GC and GC's assigns from all liabilities, losses, and costs (including without limitation reasonable attorneys' fees) incurred or imposed on GC relating to the matters in this Agreement.

9.10 Governing Law. The validity and interpretation of this Agreement and the rights and obligations of the parties shall be governed by the laws of the State of California, excluding its conflict of law rules to the extent such rules would apply the law of another jurisdiction, and the United States. Grantor (i) agrees that all actions and proceedings relating directly or indirectly hereto shall, at GC's option, be litigated in courts located within California, and that the exclusive venue therefor shall be Los Angeles County; (ii) consents to the jurisdiction and venue of any such court and consents to service of process in any such action or proceeding by personal delivery or any other method permitted by law; (iii) waives any and all rights Grantor may have to object to the jurisdiction of any such court, or to transfer or change the venue of any such action or proceeding; and (iv) irrevocably appoints Subsidiary (in such appointed capacity, the "Process Agent"), with an office on the date hereof at 2328 Walsh Avenue, Suite B, Santa Clara, California 95051, as its authorized agent with all powers necessary to receive on its behalf service of copies of the summons and complaint and any other process

which may be served in any action or proceeding arising out of or relating to this Agreement in any of the abovementioned California courts. Such service may be made by mailing or delivering a copy of such process to the Grantor in care of the Process Agent at the Process Agent's above address and the Grantor hereby irrevocably authorizes and directs the Process Agent to accept such service on its behalf and agrees that the failure of the Process Agent to give any notice of any such service to the Grantor shall not impair or affect the validity of such service or of any judgment rendered in any action or proceeding based thereon. As an alternative method of service, the Grantor also irrevocably consents to the service of any and all process in any such action or proceeding by the mailing of copies of such process to the Grantor at its address specified herein. If for any reason Subsidiary shall cease to act as Process Agent, the Grantor shall appoint forthwith, in the manner provided for herein, a successor Process Agent qualified to act as an agent for service of process with respect to all California courts and acceptable to GC.

9.11 Waiver of Right to Jury Trial. GC and Grantor each hereby waive the right to trial by jury in any action or proceeding based upon, arising out of, or in any way relating to: (i) this Agreement; or (ii) any other present or future instrument or agreement between GC and Grantor; or (iii) any conduct, acts or omissions of GC or Grantor or any of their directors, officers, employees, agents, attorneys or any other persons affiliated with GC or Grantor; in each of the foregoing cases, whether sounding in contract or tort or otherwise.

9.12 Further Assurances. At GC's request, Grantor shall execute and deliver to GC any further instruments or documentation, and perform any acts, that may be reasonably necessary or appropriate to implement this Agreement, the Security Agreement or any other agreement, and the documents relating thereto, including without limitation any instrument or documentation reasonably necessary or appropriate to create, maintain, perfect, or effectuate GC's security interests in the Collateral.

9.13 Release. At such time as Grantor shall completely satisfy all of the Obligations and the Security Agreement shall be terminated, GC shall execute and deliver to Grantor all assignments and other instruments as may be reasonably necessary or proper to terminate GC's security interest in the Collateral, subject to any disposition of the Collateral which may have been made by GC pursuant to this Agreement. For the purpose of this Agreement, the Obligations shall be deemed to continue if Grantor or Subsidiary enters into any bankruptcy or similar proceeding at a time when any amount paid to GC could be ordered to be repaid as a preference or pursuant to a similar theory, and shall continue until it is finally determined that no such repayment can be ordered.

9.14 Confidentiality. GC shall take reasonable steps to keep confidential all information obtained in connection with this Agreement, but GC shall have the right to disclose any such information to its auditors, regulatory agencies, and attorneys, and pursuant to any subpoena or other legal process. Prior to any disclosure by GC of such non-public information pursuant to any subpoena or other legal process or to any regulatory agency (other than in connection with an examination of the financial condition of GC or any of its affiliates by any governmental agency or authority), it shall, if permitted by applicable laws or judicial order, notify Grantor of such pending disclosure.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date first written above.

[SIGNATURE PAGE TO FOLLOW]

Grantor:

Butterfly VLSI Ltd.

By: _____
Title: VP Corporate Business Development

GC:

GREYROCK CAPITAL, A
DIVISION OF NATIONSCREDIT
COMMERCIAL CORPORATION

By: _____
Title: VP LISA NAGANO

Exhibit "A"

to Patent and Trademark Security Agreement

Butterfly VLSI Ltd.

REGISTERED AND PENDING TRADEMARKS

BUTTERFLY VLSI LTD
STATUS REPORT OF TRADEMARK FILES

Files handled by the Law firm of A. Tally Eitan - Zeev Pearl, D.Latzer and Co.

File Number: T-307-EU BUTTERFLY (AND DESIGN)
Country: European Co Class 9
Filing Date: 24-Sep-97 Publication Date Registration Date
Serial Number: 674325 Publication No. Registration Number
Goods Integrated circuits.

STATUS: Application was filed September 24, 1997. Expect the first examination around October, 1998.

File Number: T-307-IL BUTTERFLY (AND DESIGN)
Country: Israel Class 9
Filing Date: 24-Apr-97 Publication Date 27-Feb-98 Registration Date 05-Jun-98
Serial Number: 112016 Publication No. 112016 Registration Number 112016
Goods Integrated circuits, printed circuits boards and software

STATUS: Mark was registered. Renewal deadline is April 24, 2004.

File Number: T-307-JP BUTTERFLY (AND DESIGN)
Country: Japan Class 9
Filing Date: 27-Aug-97 Publication Date Registration Date
Serial Number: 153056/1997 Publication No. Registration Number
Goods Integrated circuits, printed circuit boards and software

STATUS: Application filed August 27, 1997. Expect the first examination around August, 1999 (2 years after filing of application).

File Number: T-307-US BUTTERFLY (AND DESIGN)
Country: United States Class 9
Filing Date: 28-Aug-97 Publication Date Registration Date
Serial Number: 75/345729 Publication No. Registration Number
Goods Integrated circuits, printed circuit boards and software for use in the field of wireless communications

STATUS: Application pending. An Office Action was issued. Deadline for responding is October 21, 1998. Waiting for client to send us instructions.

File Number: T-308-EU BUTTERFLY WINGS
Country: European Co Class 9
Filing Date: 20-Oct-97 Publication Date Registration Date
Serial Number: 674762 Publication No. Registration Number
Goods Integrated circuits, printed circuits boards and software

STATUS: Application is pending. Expect the first examination around December, 1998.

File Number: T-308-IL BUTTERFLY WINGS
Country: Israel Class 9
Filing Date: 24-Apr-97 Publication Date 27-Feb-98 Registration Date 05-Jun-98
Serial Number: 112017 Publication No. 112017 Registration Number 112017
Goods Integrated circuits, printed circuits boards and software

STATUS: Mark registered. Renewal deadline is April 24, 2004.

BUTTERFLY VLSI LTD
STATUS REPORT OF TRADEMARK FILES

Files handled by the Law firm of A. Tally Eitan - Zeev Pearl, D.Letzer and Co.

File Number: T-308-JP BUTTERFLY WINGS
Country: Japan Class 9
Filing Date: 27-Aug-97 Publication Date Registration Date
Serial Number: 153059/1997 Publication No. Registration Number
Goods: Integrated circuits, printed circuits boards and software

STATUS: Application was filed August 27, 1997. Expect the first examination around August, 1999 (2 years after the filing date).

File Number: T-308-US BUTTERFLY WINGS
Country: United States Class 9
Filing Date: 28-Aug-97 Publication Date Registration Date
Serial Number: 75/348728 Publication No. Registration Number
Goods: Integrated circuits, printed circuits boards and software for use in the field of wireless communication

STATUS: Application pending. An Office Action was issued. Deadline for responding is October 22, 1998. Waiting for client to send us instructions.

Exhibit "B"

to Patent and Trademark Security Agreement

Butterfly VLSI Ltd.

PATENTS

<u>Patent Description/Title</u>	<u>Issue Date</u>	<u>Patent No.</u>
LC-TYPE DIELECTRIC STRIP LINE RESONATOR	8/02/1996	5,705,966

PATENT APPLICATIONS

<u>Description</u>	<u>Filing Date</u>	<u>Serial No.</u>
See attached.		

File Number: D-034-IL Country Israel Your Ref.:
Filing Date: 18-May-97 Grant Date: 18-May-97
Serial Number: 27955 Patent Number: 27955
Full Title: WIRELESS COMMUNICATION TRANSCEIVER
STATUS: Registered. Renewal Deadline - May 19, 2002.

File Number: D-034-JP Country Japan Your Ref.:
Filing Date: 18-Nov-97 Grant Date:
Serial Number: 75689/97 Patent Number:
Full Title: WIRELESS COMMUNICATION TRANSCEIVER
STATUS: The application is pending. Amended drawings were submitted to the Japanese Patent Office. Expect further examination to issue around December 1998.

File Number: D-034-US Country United States Your Ref.:
Filing Date: 19-Nov-97 Grant Date:
Serial Number: 29/079,803 Patent Number:
Full Title: WIRELESS COMMUNICATION TRANSCEIVER
STATUS: Application is pending. Expecting to receive an Examination Report around November 1998.