

01-27-1999

FORM PTO-1594

(Rev. 6-93)

1-26-99



EET

U.S. DEPARTMENT OF COMMERCE

Patent and Trademark Office

To the Honorable Commissioner of Patent

100951382

original documents or copy thereof.

1. Name of conveying party(ies):

Applied Science Fiction, Inc.  
8920 Business Park Blvd.  
Austin, TX 75758

1-26-99

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

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

3. Nature of conveyance:

- Assignment     Merger
- Security Agreement     Change of Name
- Other: Intellectual Property Security Agreement

Execution Date: January 14, 1999

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

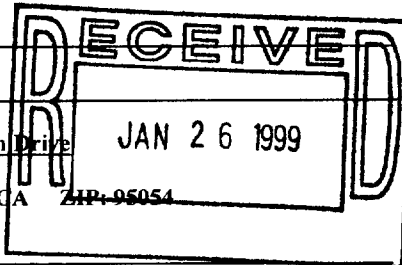
Name: Silicon Valley Bank

Internal Address: \_\_\_\_\_

Street Address: 3003 Tasman Drive

City: Santa Clara State: CA ZIP: 95054

- Individual(s) citizenship \_\_\_\_\_
- Association \_\_\_\_\_
- General Partnership \_\_\_\_\_
- Limited Partnership \_\_\_\_\_
- Corporation-State \_\_\_\_\_
- Other: Bank



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 No.(s)

421176

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: Cooley Godward LLP

Internal Address: Attn: April M. Piercey

Street Address: 5 Palo Alto Square

City: Palo Alto State: CA ZIP 94306

6. Total number of applications and registration involved:

7. Total fee (37 CFR 3.41):..... \$40.00

- Enclosed
- Authorized to be charged to deposit account

8. Deposit account number: 03-3115

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

DO NOT USE THIS SPACE

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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.

April M. Piercey

January 25, 1999

Date

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

(Kodak)

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

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# INTELLECTUAL PROPERTY SECURITY AGREEMENT

This Intellectual Property Security Agreement is entered into as of January 14, 1999, by and between SILICON VALLEY BANK ("**Bank**") and APPLIED SCIENCE FICTION, INC. ("**Grantor**").

## RECITALS

A. Bank has agreed to make certain advances of money and to extend certain financial accommodation to Grantor (the "**Loans**") in the amounts and manner set forth in that certain Note Purchase Agreement dated as of September 30, 1998, by and between Bank and Grantor, as amended by that certain First Amendment to the Note Purchase Agreement dated January 14, 1999 (as the same may be further amended, modified or supplemented from time to time, the "**Note Purchase Agreement**"); capitalized terms used herein are used as defined in the Note Purchase Agreement). Bank is willing to make the Loans to Grantor, but only upon the condition, among others, that Grantor shall grant to Bank a security interest as set forth herein to secure the obligations of Grantor under the Note Purchase Agreement.

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

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

## AGREEMENT

To secure its obligations under the Note Purchase Agreement, Grantor grants and pledges to Bank a security interest in all of Grantor's right, title and interest in, to and under all royalty payments, now owned or hereafter acquired, under (i) that certain SDC Development and License Agreement, dated as of August 4, 1997, by and between Debtor and Eastman Kodak Company ("**Kodak**"), and any amendments or modifications thereto, now existing or hereafter made (the "**Kodak License**"), with respect to Kodak's Digital Mini-Lab line of products, including, without limitation, the lab kit, or any successor line of products in the same price and quality range as Kodak's Digital Mini-Lab line (collectively, the "**Kodak Digital Mini-Lab Line**"), including without limitation, royalty payments pursuant to Section 4 of the Kodak License with respect to the Kodak Digital Mini-Lab Line, together with all proceeds and products of the foregoing, and (ii) any other agreement or arrangement between Debtor and Kodak pursuant to which Kodak will use or obtains rights to use Debtor's Digital ICE technology with respect to the Kodak Digital Mini-Lab Line (collectively, the "**Collateral**").

The underlying intellectual property licensed under the Kodak License includes the following federally-registered copyrights, patents and trademarks (the "**Federally-Registered Intellectual Property**"):

**See Schedules A, B and C**

Out of an abundance of caution and only to ensure that the Bank has a properly perfected security interest in the Collateral, Grantor hereby grants the Bank a security interest in and to all of Grantor's right, title and interest in and to the Federally-Registered Intellectual Property to the extent, and only to the extent, necessary to properly perfect the Bank's security interest in the Collateral. A filing shall be made in the U.S. Patent and Trademark Office and the U.S. Copyright Office to notice the grant of a security interest in the Collateral (and the Federally-Registered Intellectual Property but only to the extent necessary to properly perfect the Bank's Security interest in the Collateral) to the Bank in addition to UCC financing statement(s) being filed with the relevant state offices.

Grantor may in the future seek to obtain financing or investments which may or may not be secured by the Federally-Registered Intellectual Property (or may involve a negative pledge of the Federally-Registered Intellectual Property). Bank agrees to and will cooperate fully with the Grantor and such lender or investor in delineating the extent of the Bank's security interest in the Collateral, including, without limitation, executing any additional documents reasonably necessary regarding same.

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

**[INTENTIONALLY BLANK]**

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

Address of Grantor:

8920 Business Park Drive  
Austin, Texas 78759

GRANTOR:

APPLIED SCIENCE FICTION, INC.

By: 

Name: Mark R. Fuchs

Title: VP FINANCE

Address of Bank:

3003 Tasman Drive  
Santa Clara, CA 95054-1191  
Attn: Mezzanine Finance, NC475

BANK:

SILICON VALLEY BANK

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

[INTELLECTUAL PROPERTY SECURITY AGREEMENT]

(Kodak)

TRADEMARK  
REEL: 1844 FRAME: 0919

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

Address of Grantor:

8920 Business Park Drive  
Austin, Texas 78759

GRANTOR:

APPLIED SCIENCE FICTION, INC.

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address of Bank:

3003 Tasman Drive  
Santa Clara, CA 95054-1191  
Attn: Mezzanine Finance, NC475

BANK:

SILICON VALLEY BANK

By: 

Name: KIRK J. BLEDSOE

Title: SENIOR VICE PRESIDENT

[INTELLECTUAL PROPERTY SECURITY AGREEMENT]

(Kodak)

TRADEMARK  
REEL: 1844 FRAME: 0920

**SCHEDULE A**

**COPYRIGHTS**

<b>Description</b>	<b>Registration/Application Number</b>	<b>Registration/Application Date</b>
SDCLW32		9/28/98

**SCHEDULE B**

**PATENTS**

<b>Description</b>	<b>Registration/Application Number</b>	<b>Registration/Application Date</b>
Image Block Windowed Blending	60/075,664	2/23/98

**SCHEDULE C**  
**TRADEMARKS**

<b>Description</b>	<b>Registration/Application Number</b>	<b>Registration/Application Date</b>
Digital Ice	421176	1/21/98

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