

02-26-1999

FORM PTO-1594  
(Rev 5-93)

2-25-99



U.S. DEPARTMENT OF COMMERCE  
Patent and Trademark Office

100974755

To the Honorable Commissioner of

Patent and Trademark Office  
Original documents or copy thereof.

1. Name of conveying party(ies):

HCI SYSTEMS, INC.

Individual(s) citizenship:

Association:

General Partnership:

Limited Partnership:

Corporation - State: MAINE

Other:

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

3. Nature of Conveyance:

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

Execution Date: 02/17/99

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

Name: IMPERIAL BANK  
Address: 226 Airport Parkway  
City: San Jose State: CA Zip: 95110

Individual(s) citizenship:

Association:

General Partnership:

Limited Partnership:

Corporation - State:

Other: a California chartered bank

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 trademark number(s):

A. Trademark Application No.(s)

75/387,175

B. Trademark Registration No.(s)

2,218,695

Additional numbers attached?  Yes  No

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

Name: Erin O'Brien  
Internal Address: GRAY CARY WARE & FREIDENRICH  
400 Hamilton Avenue  
Palo Alto, California 94301

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

02/26/1999 DNGUYEN 00000030 071907 2218695

01 FC:481 40.00 CH  
02 FC:482 25.00 CH

8. Deposit account number: 07-1907

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

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.

Erin O'Brien  
Name of Person Signing

*Erin O'Brien*  
Signature

February 24, 1999  
Date

Total number of pages comprising cover sheet: [ 6 ]

Mail Documents to be recorded with required cover sheet information to:  
U.S. Patent and Trademark Office, Office of Public Records  
1213 Jefferson Davis Highway, 3rd Floor  
Arlington, VA 22202

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1090371-911900

TRADEMARK  
REEL: 1861 FRAME: 0339

# INTELLECTUAL PROPERTY SECURITY AGREEMENT

This Intellectual Property Security Agreement is entered into as of February 17, 1999 by and between IMPERIAL BANK ("Bank") and HCI SYSTEMS, 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 Loan and Security Agreement by and between Bank and Grantor dated of even date herewith (as the same may be amended, modified or supplemented from time to time, the "Loan Agreement"; capitalized terms used herein are used as defined in the Loan Agreement)

B. Grantor shall grant to Bank a security interest in certain Copyrights, Trademarks and Patents to secure the obligations of Grantor under the Loan Agreement.

C. Pursuant to the terms of the Loan 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 Loan Agreement, Grantor hereby represents, warrants, covenants and agrees as follows:

## AGREEMENT

To secure its obligations under the Loan Agreement, Grantor grants and pledges to Bank a security interest in all of Grantor's right, title and interest in, to and under its Intellectual Property Collateral (including without limitation those Copyrights, Patents and Trademarks listed on Schedules A, B and C hereto), and including without limitation all proceeds thereof (such as, by way of example but not by way of limitation, license royalties and proceeds of infringement suits), the right to sue for past, present and future infringements, all rights corresponding thereto throughout the world and all re-issues, divisions continuations, renewals, extensions and continuations-in-part thereof.

This security interest is granted in conjunction with the security interest granted to Bank under the Loan Agreement. The rights and remedies of Bank with respect to the security interest granted hereby are in addition to those set forth in the Loan Agreement and the other Loan Documents, 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 Loan Agreement or any of the Loan 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 Loan Agreement or any of the other Loan 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.

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:

Route One, P.O. Box 1047  
Abenaki Professional Park  
Wells, ME 04090  
Attn: James Kavanaugh

GRANTOR:

HCI SYSTEMS, INC.

By: 

Title: President & CEO

Address of Bank:

226 Airport Parkway  
San Jose, CA 95110

Attn: Corporate Banking Center

BANK:

IMPERIAL BANK

By: Richard D. Sidale

Title: AVP

**EXHIBIT A**

**Copyrights**

<b><u>Description</u></b>	<b>Registration/ Application Number</b>	<b>Registration/ Application Date</b>
Form TX - IPM System, Reslease 1.2	TX4-573-235	6/12/97
Form TX - IPM System Release 3.0	TX4-550-018	6/12/97
Computer Program and Documentation		

**EXHIBIT B**

**Patents**

**Description**

**Registration/  
Application  
Number**

**Registration/  
Application  
Date**

NONE

**EXHIBIT C**

**Trademarks**

<b><u>Description</u></b>	<b><u>Registration/ Application Number</u></b>	<b><u>Registration/ Application Date</u></b>
IPM System Trademark	75/387175	11/10/97
Logo Trademark	2,218,695	01/19/99

PA1852284.2  
1090371-911900

**RECORDED: 02/25/1999**

**TRADEMARK  
REEL: 1861 FRAME: 0344**