

08-16-1999



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101119219  
TRADEMARKS ONLY

TO: The Commissioner of Patents and Trademarks: Please record the attached original document(s) or copy(ies).

Submission Type

8-6-99

Conveyance Type

- New
- Resubmission (Non-Recordation)  
Document ID # \_\_\_\_\_
- Correction of PTO Error  
Reel # \_\_\_\_\_ Frame # \_\_\_\_\_
- Corrective Document  
Reel # \_\_\_\_\_ Frame # \_\_\_\_\_

- Assignment
  - Security Agreement
  - Merger
  - Change of Name
  - Other \_\_\_\_\_
- License  
08-06-1999  
U.S. Patent & TMO/TM Mail Rcpt Dt. #64

Conveying Party

Mark if additional names of conveying parties attached

Execution Date  
Month Day Year

Name High Technology Solutions, Inc.

07301999

Formerly \_\_\_\_\_

- Individual
- General Partnership
- Limited Partnership
- Corporation
- Association
- Other \_\_\_\_\_
- Citizenship/State of Incorporation/Organization Delaware

Receiving Party

Mark if additional names of receiving parties attached

Name Imperial Bank

DBA/AKA/TA \_\_\_\_\_

Composed of \_\_\_\_\_

Address (line 1) 701 B Street

Address (line 2) Suite 600

Address (line 3) San Diego

CA

92101

- Individual
- General Partnership
- Limited Partnership
- Corporation
- Association

If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative should be attached. (Designation must be a separate document from Assignment.)

Other California Banking Corporation

Citizenship/State of Incorporation/Organization California

08/13/1999 MTHA11 00000258 75610409

FOR OFFICE USE ONLY

290E

01 FC:481 40.00 OP  
02 FC:482 250.00 OP

Public burden reporting for this collection of information is estimated to average approximately 30 minutes per Cover Sheet to be recorded, including time for reviewing the document and gathering the data needed to complete the Cover Sheet. Send comments regarding this burden estimate to the U.S. Patent and Trademark Office, Chief Information Officer, Washington, D.C. 20231 and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Paperwork Reduction Project (0651-0027), Washington, D.C. 20503. See OMB Information Collection Budget Package 0651-0027, Patent and Trademark Assignment Practice. DO NOT SEND REQUESTS TO RECORD ASSIGNMENT DOCUMENTS TO THIS ADDRESS.

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

**Domestic Representative Name and Address**

Enter for the first Receiving Party only.

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

**Correspondent Name and Address**

Area Code and Telephone Number

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

**Pages** Enter the total number of pages of the attached conveyance document including any attachments. #

**Trademark Application Number(s) or Registration Number(s)**

Mark if additional numbers attached

Enter either the Trademark Application Number or the Registration Number (DO NOT ENTER BOTH numbers for the same property).

**Trademark Application Number(s)**

**Registration Number(s)**

<input type="text" value="75/610,409"/>	<input type="text" value="75/610,994"/>	<input type="text" value="pending"/>
<input type="text" value="75/610/411"/>	<input type="text" value="pending"/>	<input type="text" value="pending"/>
<input type="text" value="75/610,995"/>	<input type="text" value="pending"/>	<input type="text" value="pending"/>

<input type="text" value="2,064,784"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
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**Number of Properties** Enter the total number of properties involved. #

**Fee Amount** Fee Amount for Properties Listed (37 CFR 3.41): \$

Method of Payment: Enclosed  Deposit Account

Deposit Account

(Enter for payment by deposit account or if additional fees can be charged to the account.)

Deposit Account Number: #

Authorization to charge additional fees: Yes  No

**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. Charges to deposit account are authorized, as indicated herein.

Sean L. Collin

April 6, 1999

Name of Person Signing

Signature

Date Signed

RECORDATION FORM COVER SHEET  
CONTINUATION  
TRADEMARKS ONLY

FORM PTO-1618C  
Expires 06/30/99  
OMB 0651-0027

U.S. Department of Commerce  
Patent and Trademark Office  
TRADEMARK

**Conveying Party**

Enter Additional Conveying Party

Mark if additional names of conveying parties attached

Execution Date  
Month Day Year

Name

Formerly

Individual  General Partnership  Limited Partnership  Corporation  Association

Other

Citizenship State of Incorporation/Organization

**Receiving Party**

Enter Additional Receiving Party

Mark if additional names of receiving parties attached

Name

DBA/AKA/TA

Composed of

Address (line 1)

Address (line 2)

Address (line 3)

City

State/Country

Zip Code

Individual  General Partnership  Limited Partnership

Corporation  Association

Other

Citizenship/State of Incorporation/Organization

If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative should be attached (Designation must be a separate document from the Assignment.)

**Trademark Application Number(s) or Registration Number(s)**

Enter either the Trademark Application Number or the Registration Number (DO NOT ENTER BOTH numbers for the same property).

Mark if additional numbers attached

**Trademark Application Number(s)**

**Registration Number(s)**

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Schedule "A"

Serial No.	Patent/ No.	Title & Inventor (s) or Application(s)
08/491,582	5,845,263	INTERACTIVE VISUAL ORDERING SYSTEM Inventors: Camassa, et al.
08/642,303	5,784,564	CLOSED BROWSER FOR COMPUTER AND COMPUTER NETWORK Applicant: HTS, Inc.
EP#001215250		SYST & METH FOR VISUALIZING VEHICLES WITH ACCESSORIES Inventor(s): Divine et al.
Canada		ACCESSORIZER Applicant: Macro Systems, Inc.
EP#001213552		ACCESSORIZER Applicant: Macro Systems, Inc.
Canada		ACCESSORIZOR Applicant: Macro Systems, Inc.
EP#001215110		INTERNET ACCESSORIZER Applicant: Macro Systems, Inc.
Canada		INTERNET ACCESSORIZER Applicant: Macro Systems, Inc.
EP#001215169		INTERNET ACCESSORIZOR Applicant: Macro Systems, Inc.
Canada		INTERNET ACCESSORIZOR Applicant: Macro Systems, Inc.

**Schedule "A"**

**Marks:**

Serial No.	Mark/ No.	Title & Inventor (s) or Application(s)
75/071,982	2,064,784	"GRIFFOOD" (with design) Applicant: HTS, Inc.
75/610,409		ACCESSORIZER Applicant: Macro Systems, Inc.
75/610,411		ACCESSORIZOR Applicant: Macro Systems, Inc.
75/610,995		INTERNET ACCESSORIZER Applicant: Macro Systems, Inc.
75/610,994		INTERNET ACCESSORIZOR Applicant: Macro Systems, Inc.
Pending number		HEALTH VIEWS Applicant: HTS
Pending number		HEALTH VIEWWS Applicant: HTS
Pending number		VIRTUAL DEALERSHIP Applicant: Macro Systems, Inc.
Pending number		VIRTUAL SHOWROOM Applicant: Macro Systems, Inc.
Pending number		VIRTUAL RECRUITER Applicant: HTS
Pending number		COMMUNITY ACCESS PORTAL Applicant: HTS

**MORTGAGE, ASSIGNMENT AND GRANT OF SECURITY INTEREST WITH RESPECT TO PATENTS, TRADEMARKS, COPYRIGHTS, AND OTHER COLLATERAL**

THIS AGREEMENT, is made as of the 7<sup>th</sup> day of June, 1999 by and between High Technology Solutions, Inc., a Delaware corporation, located at 9965 Chesapeake Drive, Suite 300, San Diego, California (Borrower), and M.A.C.R.O. Systems, Inc., a Washington corporation, located at 9965 Chesapeake Drive, Suite 300, San Diego, California (Borrower), to Imperial Bank, a California corporation, located at 701 B Street, Suite 600, San Diego, California (Bank).

WHEREAS, Borrower and Bank are parties to a certain Credit Agreement, dated January 4, 1999 (together with any and all amendments now or hereafter made thereto, hereinafter called the "Credit Agreement"), which provides for (1) Bank from time to time to extend credit to or for the account of Borrower and (2) the grant by Borrower to Bank of a security interest in certain of Borrower's assets, including, without limitation, its patents, trademarks, service marks, copyrights, trade secrets, other intellectual property and the proceeds derived directly or indirectly therefrom; and

WHEREAS, Bank has required, as a condition to advancing loans to Borrower under the Credit Agreement, that Borrower execute and deliver to Bank this Agreement;

NOW, THEREFORE, in consideration of the promises set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Borrower and Bank agree as follows:

1. **Security Interest.** Borrower does hereby irrevocably mortgage, pledge, assign and grant a continuing security interest to Bank and to the Bank's successors and assigns, in all right, title and interest of the Borrower, now owned or hereafter acquired throughout the world, in and to all of the collateral described in Schedule "A" attached hereto and as described elsewhere in this Agreement, including, without limitation, (a) the "Patents", "Trademarks", "Service Marks", "Copyrights", "Trade Secrets", and other Intellectual Property (as such terms are defined in Schedule "A" and elsewhere in this Agreement), and (b) all accounts and accounts receivable generated by such Patents, Trademarks, Service Marks, Copyrights, Trade Secrets, and other Intellectual Property (all of the foregoing collateral is hereinafter severally and collectively defined as the "Collateral"), as security for the payment and performance (whether presently existing or hereafter arising) of any and all indebtedness and obligations of the Borrower to the Bank whether currently existing or hereafter arising (collectively, the "Obligations"). The Obligations include, without limitation, the \$5,000,000 Revolving Line of Credit and the \$3,600,000 Term Loan, both made pursuant to the terms of (i) that certain Credit Agreement dated January 4, 1999 by and between Borrower and Bank, (ii) that certain Amendment to Credit Agreement dated June 7, 1999 by and between Borrower and Bank, (iii) all other agreements and documents between the Borrower and Bank related to such line of Credit and Term Loan now

existing or hereafter entered into, as any of the foregoing may be amended, modified, and/or restated from time to time (collectively, the "Credit Agreement"); and (iv) all other obligations owed to Bank by Borrower now existing or hereinafter existing and whether or not represented by the Credit Agreement. The repayment of the Obligations are also secured by all other personal property of the Borrower.

2. **Collateral Agreement of Patents.** To secure the complete and timely satisfaction of all of the Obligations (as defined above and in the Credit Agreement), Borrower hereby irrevocably grants, conveys, and assigns to Bank, as and by way of a first mortgage and security interest having priority over all other liens and security interests, with power of sale, to the extent permitted by law, all of Borrower's worldwide right, title, and interest in and to all of its now owned or existing and filed and hereafter acquired or arising and filed:

- A. Patents and patent applications (including, without limitation, the inventions, devices and improvements described and claims therein) listed on Schedule "A" attached hereto;
- B. The reissues, divisions, continuations, renewals, extensions, continuations-in-part, modifications, derivatives and improvements thereof;
- C. All income, royalties, damages, and payments now and hereafter due and/or payable under and with respect thereto, including (without limitation) damages and payments for past or future infringements thereof;
- D. The right to sue and recover for past, present, and future infringements thereof;
- E. All rights corresponding thereto and throughout the world;
- F. All other proceeds and products of the foregoing, or directly or indirectly related thereto including (without limitation) any rights pursuant to its agreements with any other party relating thereto; and
- G. Any jointly held rights therein in any of the foregoing, whether by contract or otherwise (Section 2A-2G shall be collectively called the "Patents").

The Patents shall serve as Collateral hereunder and shall also be subject to all of the terms and conditions of the Credit Agreement.

3. **Collateral Agreement of Trademarks, and Service Marks.** To secure the complete and timely satisfaction of all of the Obligations, Borrower hereby irrevocably grants, conveys, and assigns to Bank, as and by way of a first mortgage and security interest having priority over all other liens and security interests, with power of sale, to the extent permitted by law, all of Borrower's worldwide right, title, and interest in and to all of its now owned or existing and filed and hereafter acquired or arising and filed:

- A. All Trademarks, Service Marks, trade names, trade dress, logos, and domain names used in Borrower's business now or in the future, all applications and registrations related thereto, including without limitation, the items listed on Schedule "A" and the goodwill of the business associated with such names and marks;
- B. All renewals, derivative marks, common law marks and domain names used in Borrower's business now or in the future, and the goodwill of the business associated with such names and marks;
- C. All income, royalties, damages, and payments now and hereafter due and/or payable under and with respect thereto, including (without limitation) damages and payments for past or future infringements thereof;
- D. The right to sue and recover for past, present, and future infringements thereof;
- E. All rights corresponding thereto and independent rights in any marks throughout the world used in Borrower's business and the goodwill of the business associated with such marks;
- F. All other proceeds and products of the foregoing, or directly or indirectly related thereto including (without limitation) any rights pursuant to its agreements with any other party relative thereto; and
- G. Any jointly held rights therein in any of the foregoing, whether by contract or otherwise (Section 3A- 3G shall be collectively called the "Marks").

The Marks shall serve as Collateral hereunder and shall also be subject to all of the terms and conditions of the Credit Agreement.

4. **Collateral Agreement of Copyrights.** To secure the complete and timely satisfaction of all of the Obligations, Borrower hereby irrevocably grants, conveys, and assigns to Bank, as and by way of a first mortgage and security interest having priority over all other liens and security interests, with power of sale, to the extent permitted by law, all of Borrower's worldwide right, title, and interest in and to all of its now owned or existing and filed and hereafter acquired or arising and filed:

- A. All copyrights in the object code, source code, source data files and documentation related to the software listed on Schedule "A", all other copyrights in any copyrightable subject matter owned or created by or for the Borrower by its employees, independent contractors or other third parties, or acquired by the company, now or in the future, and all applications and registrations related thereto;
- B. The materials listed in Schedule "A";



- C. All renewals, modifications, derivative works and collective works related thereto;
- D. All income, royalties, damages, and payments now and hereafter due and/or payable under and with respect thereto, including (without limitation) damages and payments for past or future infringements thereof;
- E. The right to sue and recover for past, present, and future infringements thereof;
- F. All rights corresponding thereto and throughout the world;
- G. All other proceeds and products of the foregoing, or directly or indirectly related thereto including (without limitation) any rights pursuant to its agreements with any other party relative thereto; and
- H. Any jointly held rights therein in any of the foregoing, whether by contract or otherwise (Section 4A-4H shall be collectively called the "Copyrights").

The Copyrights shall serve as Collateral hereunder and shall also be subject to all of the terms and conditions of the Credit Agreement.

**5. Collateral Agreement of Trade Secrets, Know How, Mask Works, and Other Intellectual Property.** To secure the complete and timely satisfaction of all of the Obligations, Borrower hereby irrevocably grants, conveys, and assigns to Bank, as and by way of a first mortgage and security interest having priority over all other liens and security interests, with power of sale, to the extent permitted by law, all of Borrower's worldwide right, title, and interest in and to all of its now owned or existing filed whether or not or howsoever arising whether by operation of law, registration, contract or otherwise and hereafter acquired or arising and filed:

- A. All trade secrets, confidential information, know how, mask works, and other intellectual property used in the business of Borrower now or in the future, including without limitation, the materials listed in Schedule "A";
- B. All renewals, modifications, derivatives and innovations relating thereto;
- C. All income, royalties, damages, and payments now and hereafter due and/or payable under and with respect thereto, including (without limitation) damages and payments for past or future infringements thereof;
- D. The right to sue and recover for past, present, and future infringements thereof;
- E. All rights corresponding thereto and throughout the world;

- F. All other proceeds and products of the foregoing, or directly or indirectly related thereto including (without limitation) any rights pursuant to its agreements with any other party relative thereto; and
- G. Any jointly held rights therein in any of the foregoing, whether by contract or otherwise (Section 5A-5G shall be collectively called the "Trade Secrets").

The Trade Secrets shall serve as Collateral hereunder and shall also be subject to all of the terms and conditions of the Credit Agreement.

6. **Effect of Breach.** This Mortgage, Agreement and Grant of Security Interest With Respect to the Collateral is subject to all of the applicable terms and conditions in the Credit Agreement. Upon the occurrence of a default or breach by the Borrower under the Credit Agreement, the Bank may exercise any and all rights and remedies of the Bank under the Credit Agreement, and the laws of the State of California and of the United States of America and any other relevant jurisdictions, anywhere in the world where rights exist in Collateral. Such security interest shall be accompanied by a power of sale, to the extent permitted by law, upon the occurrence and during the continuation of an Event of Default.

Notwithstanding the foregoing, unless and until Bank exercises the rights and remedies accorded to it under the Credit Agreement or by law with respect to the realization upon its security interest in the Collateral, Borrower shall own, and may use and enjoy, the Collateral in connection with its business operations, but only in a manner consistent with the preservation of their current and future substance, validity, strength and registration and the security interest herein granted.

7. **Appointment of Attorney.** The Borrower does hereby irrevocably appoint the Bank as the Borrower's attorney in fact to do all acts and things permitted or contemplated by the terms hereof and/or the Credit Agreement. This power of attorney is coupled with an interest and is irrevocable.

8. **Power of Attorney.** Borrower hereby authorizes Bank, without limitation, to:

- A. Make, constitute, and appoint any representative of Bank as Bank may select, in its sole discretion, as Borrower's true and lawful attorney-in-fact, with power to endorse Borrower's name on all applications, documents, papers, and instruments necessary or desirable for Bank to give effect to the provisions of this Agreement and the intent of the parties hereto;
- B. Take any other actions with respect to the Collateral, consistent with this Agreement, as Bank deems in the best interest of Bank;
- C. Following the occurrence of an Event of Default, grant or issue any exclusive or nonexclusive license under the Collateral to anyone; or

- D. Following the occurrence of an Event of Default, subject to the terms of any existing license agreement, assign, pledge, convey, or otherwise transfer title in or dispose of the Collateral to anyone.

Bank hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney shall be irrevocable until the Obligations are satisfied in full and the Credit Agreement is terminated.

9. **Covenants.** The Borrower shall, at its expense, have the duty (i) to prosecute diligently any patent, copyright, mask work, or trademark or service mark application or other intellectual property application pending as of the date hereof or hereafter, (ii) to make application on unpatented but patentable inventions, protectable marks, mask works and copyrightable subject matter as appropriate in the operation of the Borrower's business and as required specifically by Bank from time to time in their sole discretion, and upon the making of any such applications to promptly notify the Bank of same, (iii) to notify the Bank in writing of any registrations received for any of the Patents, Marks, Copyrights, Trade Secrets or other Intellectual Property, and to amend this Agreement, any Assignments, UCC-1 Financing Statements or other documents to reflect the addition of such registrations as Collateral, (iv) to actively police and defend the Collateral, file and prosecute, interference, opposition and cancellation proceedings, and to bring court actions where necessary to protect the strength of, and rights in the Collateral as required by this Agreement, (v) to execute, and or provide, any and all further documents requested by the Bank to further perfect the Bank's interests in all Collateral, (vi) to renew, preserve and maintain all Patents, Marks, Copyrights, Trade Secrets, and other Intellectual Property in a timely manner, including without limitation filing all required affidavits and other documents and paying all necessary maintenance and other fees, and (vii) not to sell, pledge, hypothecate, assign, exclusively license, perpetually license or otherwise dispose of any rights in any of the Patents, Marks, Copyrights, Trade Secrets or other Collateral to any third party, in the United States or internationally, without the express, written consent of the Bank, which may be withheld in the Bank's sole and absolute discretion. Borrower also covenants as follows:

- A. While it is a secured party hereunder, Bank shall have no obligation or responsibility to preserve, protect or defend the Collateral and Borrower shall at its own expense protect, defend, and maintain the same to the extent reasonably advisable for its business, and as required by this Agreement or specifically by Bank from time to time in its sole discretion;
- B. Borrower shall register all additions to the Collateral used or proposed to be used in Borrower's business throughout the world, including derivative or collective works, giving due consideration to value, importance, cost, and opinion of counsel as to availability of such registrations throughout the world. At a minimum, Borrower shall promptly notify the Bank in writing of the development or use of any additions or improvements to the Collateral, and if the Bank determines that such additions should be registered in order to protect the Bank's interest in the Collateral, Borrower shall promptly apply to register such additions;

- C. Borrower shall employ notices in compliance with applicable legal requirements or as permitted to maximize the protection and enforcement of the Collateral;
- D. Borrower shall use its best efforts to police the Collateral and to uncover any infringement of the Collateral and forthwith advise Bank in writing of any infringement so discovered;
- E. Borrower shall prosecute any material infringement of the Collateral to protect the Collateral as required by this Agreement, giving due consideration to value, importance, cost, and opinion of counsel as to such action;
- F. If Borrower fails to comply with the foregoing, Bank may do so in Borrower's name, or in Bank's name but at Borrower's expense, and Borrower shall reimburse Bank for all expenses, including reasonable attorney's fees and costs, incurred by Bank in protecting, defending, and maintaining the Collateral. The Borrower shall not abandon or allow to fall into the public domain any of the Patents, Marks, Copyrights, Trade Secrets or other Collateral or allow a statutory deadline to pass on any right to file an application or other document thereon without the express, written consent of the Bank, which consent may be withheld in the Bank's sole and absolute discretion; and
- G. Borrower shall not enter into any contract or other agreement for the creation of any Intellectual Property or use of the Collateral to develop additional property or Intellectual Property without the Bank's prior written consent unless the Borrower causes any third party with whom it is involved in such efforts to grant to the Bank a perfected first priority security interest in such additional property and Intellectual Property rights related thereto, such security interest shall also include Borrower's rights to all income and proceeds from such additional property and related Intellectual Property.

10. **Enforcement.** The Borrower agrees that if any person, corporation, partnership, trust, limited liability company or other entity shall do or perform any acts which the Bank believes infringes any right of the Borrower or any right of the Bank to the extent granted hereby, then the Bank may and shall have the right to take such steps and institute such suits or proceedings as the Bank may deem advisable or necessary to prevent such acts and conduct and to secure damages and other relief by reason thereof and to generally take such steps as may be advisable or necessary or proper for the full protection of the rights of the parties, but the Bank shall not be obligated to do any of the foregoing. The Bank may take such steps or institute such suits or proceedings in its own name or in name of the Borrower or in the names of the parties jointly.

11. **Restrictions on Future Agreements.** Borrower agrees that, until the Obligations are satisfied in full and the Credit Agreement is terminated, and except as may otherwise be provided in the Credit Agreement, Borrower shall not, without Bank's prior written consent:

- A. Enter into any agreement (for example, a license agreement, joint development agreement or work for hire agreement) that would allow actual or potential Collateral to become all or partly owned by such third parties, or that is inconsistent with Borrower's obligations under this Agreement; or
- B. Take any action, or permit any action to be taken by others subject to its control, including licensees, joint venture partners, vendors, or joint developers, or fail to take any action if doing so or not doing so would impair the title to, or validity or enforceability of the Collateral.

12. **Warranties.** Borrower represents, warrants, and covenants that now and in the future during the pendency of this Agreement and until Credit Agreement is satisfied in full:

- A. The Collateral is subsisting, has not been adjudged invalid or unenforceable in whole or in part, and is not currently being challenged in any way and there is no pending or threatened litigation, proceedings or other investigations regarding the Collateral;
- B. None of the Collateral has lapsed or expired or been abandoned or allowed to fall into the public domain without the express, prior, written approval of Bank;
- C. No claim has been made that the use of any of the Collateral constitutes an infringement or violation of any third party's intellectual property rights;
- D. Borrower owns the entire right, title, and interest in and to each of the Collateral free and clear of any liens and encumbrances of every kind and nature, except for the rights granted by Borrower pursuant to this Agreement; and
- E. Borrower shall continue to use, until the obligations shall have been satisfied in full and the Credit Agreement shall have been terminated, proper statutory notices in connection with its use of the Collateral.
- F. Borrower has conducted searches and obtained opinions of counsel that each of the Patents, Marks, Copyrights, Trade Secrets and other Intellectual Property set out in Schedule "A" is available for use and protection by Borrower free of infringement of a third party's rights;
- G. No third party intellectual property is integral to the conduct of Borrower's business using the Collateral and Borrower has secured the right to use all third party intellectual property used in the conduct of its business;
- H. Borrower has continually used in commerce all marks once use of such has commenced;

- I. Borrower has in place a system to protect Borrower's know how and trade secrets at least as detailed and secure and comprehensive as the standard of its industry;
- J. To Borrower's knowledge, no third parties are infringing upon or violating any of the rights in any of the Collateral;
- K. Neither Borrower nor any third party who are parties to any agreement whereby Borrower is licensing any Intellectual Property of a third party or granting licenses to its Intellectual Property are in breach or default of any such agreements;
- L. Borrower and the Collateral do not infringe or violate any third party's Intellectual Property rights;
- M. Schedule "A" sets forth a true, accurate and complete list of all technologies and proprietary rights of Borrower that are necessary to operate Borrower's business; and
- N. Borrower has taken all necessary actions to protect the confidentiality of the Collateral.

13. **New Collateral Licenses.** If, before the Obligations are satisfied in full, Borrower obtains rights to any new patentable inventions, patents, or patent applications, or any reissue, division, continuation, renewal, extension, continuation-in-part of any Patent or any improvement on any Patent, or any new copyrights, marks, trade secrets or any other Collateral, the provisions of Sections 2, 3, 4 and 5 above shall automatically apply thereto and Borrower shall give to Bank written notice thereof and Schedule "A" shall automatically include such rights.

14. **Royalties; Terms.** Borrower hereby agrees that the use by Bank of the Collateral shall be worldwide and without any liability for royalties or other related charges from Bank to Borrower. The term of the Agreements granted herein shall extend until the earlier of (1) the expiration of all Collateral Rights or (2) payment in full of the Obligations and termination of the Credit Agreement.

15. **Grant of License to Borrower.** Bank hereby grants to Borrower the royalty-free, exclusive, nontransferable right and license to make, have made, use, and sell the inventions disclosed and claimed in the Collateral and other Collateral for Borrower's own benefit and account and for none other. Such right and license shall be exercisable by Borrower only until the occurrence of an Event of Default. Borrower agrees not to sell or assign its interest in, or grant any sublicense under, the right and license granted to Borrower in this Section without the prior written consent of Bank.

16. **Bank's Right to Inspect.** Bank shall have the right, at any reasonable time and from time to time, to inspect Borrower's premises and to examine Borrower's books, records, and operations.

17. **Further Duties of Borrower.** Until the Obligations are satisfied in full and the Credit Agreement is terminated, Borrower shall not abandon any pending application regarding any of the Collateral or abandoned any registered Collateral, without the prior written consent of Bank, which consent shall not be unreasonably withheld.

18. **Filing.** The security interest in the Collateral granted hereunder shall remain in full force and effect until the Obligations are satisfied in full and the Credit Agreement is terminated. At such time Bank shall, if requested by Borrower, execute and deliver to Borrower, or to a third party upon Borrower's instructions, for filing with the appropriate government entity in the U. S. or elsewhere and in each office in which any financing statement pertaining to the security interest granted hereby may have been filed, (1) documentation in accordance with the rules and regulations of said office, (2) termination statements under the Uniform Commercial Code, and (3) any other documentation reasonably requested by Borrower, all as may be necessary to release Bank's interest in the Collateral, and all at the cost and expense of Borrower.

19. **Choice of Law.** This Agreement shall be construed and enforced pursuant to the laws of the State of California, without giving effect to that State's conflicts or choice of law rules. Borrower and Bank each irrevocably submit to the jurisdiction of the State or Federal Courts located in San Diego, California for any action or proceeding regarding this Agreement.

20. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties regarding the subject matter hereof, and supersedes all prior or contemporaneous understandings or agreements, whether oral or written regarding the subject matter hereof. This Agreement shall be modified or amended only by a writing signed by both Bank and Borrower.

21. **Attorneys Fees.** In the event a dispute arises regarding this Agreement, the prevailing party shall be entitled to its reasonable attorney's fees and expenses incurred in addition to any other relief to which it is entitled.

IN WITNESS WHEREOF, the undersigned has executed this instrument as of the 3 day of \_\_\_\_\_, 1999.

IMPERIAL BANK

By: [Signature]

Its: Vice President

HIGH TECHNOLOGY SOLUTIONS, INC.

By: [Signature]  
Its: CFO CEO

M.A.C.R.O. SYSTEMS, INC.

By: [Signature]  
Its: CFO CEO

Schedule "A"Copyrights:

1. All, without limitation, specific software developed or owned by Borrower.
2. All, without limitation, copyright applications and registrations.
3. All source code, object code, source data files, algorithms, libraries, routines, subroutines, engines, techniques, processes, utilities, development and run time tools, electronic files, modules, system architecture, complete logic flow, specifications, designs, diagrams, drawings, programmers' notes, commented code, manuals and other documentation and support materials (in electronic and printed form) used in Borrower's business now or in the future, and all modifications, enhancements and derivative works thereof.
4. All marketing and promotional materials used in Borrower's business now or in the future, including without limitation, all brochures, catalogs, spec or data sheets, trade show materials, web site content and code, product installation, operation and service manuals, and related artwork and documentation.

Trade Secrets:

1. All confidential information, business plans, strategic and consulting reports, marketing data, financial records, customer lists, vendor lists, referral sources, pricing data, designs, drawings, specifications, schematics, bill of material, timing and block diagrams, flow charts, manufacturing and operational data, and other proprietary materials in written, oral, electronic or in any other format used by Borrower in its business now or in the future.
2. Integrated circuit designs, cell libraries, net lists, electronic masks, simulations, and test/ verification data.
3. All mask work application and registrations.
4. All other Intellectual Property.