

SCHEDULE 1

TO

RECORDATION FOR COVER SHEET

TRADEMARKS

<u>U.S. Trademark Application or Registration Number</u>	<u>Trademark</u>	<u>Filing/Registration Date</u>
2204671	StorView	11/24/98
2089969	Enterprise Storage Packaging	8/19/97
2201013	GigaRAID	11/3/98
1793479	ANDATACO	9/21/93
2039785	RAID Lite	2/25/97
2223497	Rapid-Tape	2/16/99
2165709	Administor	6/16/98
2160493	For the life of your data	5/26/98
75670102	GigaSTOR	3/29/99
75697224	SANStor	5/3/99
75702235	Estorage	5/10/99
75702234	SAN-SATIONAL	5/10/99

TRADEMARK COLLATERAL ASSIGNMENT AGREEMENT

THIS TRADEMARK COLLATERAL ASSIGNMENT AGREEMENT (this "Agreement") is entered into as of 08/30, 2000, by and between nStor Corporation, Inc., a Delaware corporation ("Debtor"), and Wells Fargo Credit, Inc. ("Bank").

RECITALS

WHEREAS, Bank has extended or will hereafter extend credit to Debtor, and to secure its obligations to Bank, Debtor has executed various agreements, including without limitation, that certain Security Agreement dated as of April 30, 1998 between anDATAco of California, Inc., a California corporation (predecessor in interest to Debtor) and Wells Fargo Bank, National Association (predecessor in interest to Bank), covering among other items, various proprietary rights and trademarks (which security agreement, together with any and all amendments and modifications thereto from time to time entered into, and any security agreements at any time hereafter executed in replacement and/or in substitution thereof and/or in addition thereto, shall be referred to herein as the "Security Agreement"); and

WHEREAS, Debtor and Bank wish to further clarify and declare their respective rights and obligations with regard to certain collateral in an instrument to be recorded with the United States Patent and Trademark Office and elsewhere.

NOW, THEREFORE, for valuable consideration, receipt of which is hereby acknowledged, Debtor and Bank hereby agree as follows:

1. Collateral Assignments. Pursuant to the Security Agreement and subject to and upon the additional terms, covenants and conditions hereof, Debtor hereby grants, assigns, conveys, mortgages and transfers to Bank Debtor's entire right, title and interest in and to all of the following (the "Property"):

(a) all trademarks, service marks, trade names, proprietary labels and logos in which Debtor now has or at any time hereafter acquires an interest; and

(b) the right to sue, in Bank's name or joined with Debtor, for past, present or future infringements of rights in any such trademarks, service marks, trade names, proprietary labels and logos.

The Property shall include without limitation: (i) all trademarks, service marks and trade names, proprietary labels and logos described in Exhibit A attached hereto and incorporated herein by this reference, and (ii) all reissues and/or extensions of any of the Property. The trademark and other proprietary rights assigned to Bank as security hereunder shall be held by Bank for the full term for which said rights are granted, and for the term or terms of each and every extension thereof, as fully as the same would have been held by Debtor if this Agreement had not been executed, subject to Bank's obligation to release Bank's

security interest in the Property upon satisfaction in full of all obligations of Debtor to Bank secured thereby.

2. **Obligations Secured.** The collateral assignment established by this Agreement secures payment of all indebtedness and performance of all obligations which may now or at any time hereafter be owed by Debtor to Bank, including without limitation, all obligations now existing or arising under or in connection with the Security Agreement, and/or in connection with any promissory note and/or loan agreement now or at any time hereafter executed by Debtor with Bank, including but not limited to that certain Loan Agreement between anDATAco of California, Inc., a California corporation (predecessor in interest to Debtor) and Wells Fargo Bank, National Association (predecessor in interest to Bank) dated as of April 30, 1998, and all amendments, modifications and extensions thereto, and substitutions or replacements therefor (the "Loan Agreement").

Upon payment and performance in full of all of Debtor's obligations under the Loan Agreement, any security interest created by this Agreement shall be automatically released and Bank, at Debtor's cost and expense, shall execute, deliver, record and file all instruments and documents, and do all other acts and things, reasonably required to evidence or document the release of Bank's interests arising under this Agreement, as reasonably requested by, and at the sole expense of, Debtor, including without limitation a reassignment to Debtor without recourse and without any warranty or representation of any kind or nature, of all right, title and interest that Bank may then have in the Property, free and clear of any claims by Bank, in form acceptable to counsel for Bank, and upon such reassignment, the license and rights granted hereunder shall terminate, and the entire right shall be reinvested in Debtor, as fully as if this Agreement and license had not been made.

3. **Perfection of Security Interest.** Debtor hereby covenants and agrees to prepare, execute, acknowledge, deliver and record or file such instruments and documents and to do and perform all other acts which may be necessary or which Bank deems necessary or appropriate to perfect and vest in favor of Bank a valid collateral assignment of the Property. Concurrently with the filing of any trademark application or the acquisition of any interest in or to any trademark hereafter, Debtor shall duly execute, acknowledge and record in the United States Patent and Trademark Office a Trademark Collateral Assignment Agreement substantially in the form of this Agreement; provided that Exhibit A to each such Trademark Collateral Assignment Agreement shall describe (with such particularity as may be required by said Patent and Trademark Office or other applicable governmental authorities or agencies from time to time) only the additional trademarks and applications which have not been previously recorded as subject to Bank's security interest.

4. **Grant of Rights.** Unless and until there shall have occurred and be continuing an Event of Default (as defined in the Security Agreement) or an Event of Default (as defined in the Loan Agreement), and Bank shall have given written notice to Debtor that the rights, license and privilege granted under this Paragraph have been terminated (provided that the following rights shall be automatically reinstated upon the cure or waiver of such Event of Default (as defined in the Security Agreement) or Event of Default (as defined in the Loan

Agreement), as applicable), Bank hereby grants to Debtor the exclusive, non-transferable, non-assignable royalty-free right and license under the Property to use for Debtor's own benefit and account and for none other such Property, provided, however, that no suit shall be brought in the name of Bank unless Debtor shall have first received the written consent of Bank thereto, which consent shall not be unreasonably withheld in instances where applicable law requires that the Property owner be joined as a necessary party in infringement suits.

Debtor agrees neither to sell or assign its interest in, nor grant any sublicense under, the license granted by Bank in this Paragraph 4, without the prior written consent of Bank; provided however, that Debtor may grant such bona fide sublicenses for good and valuable consideration as are necessary and usual in the ordinary course of Debtor's business as it is presently conducted and as it may be legally expanded, on condition that such sublicenses so granted shall be subject to the terms and conditions of the Security Agreement and this Agreement.

5. Warranties. In addition to the representations and warranties made by Debtor in the Security Agreement, Debtor represents and warrants that:

(a) the Property listed on Exhibit A represents all of the trademarks, service marks, trade names, proprietary labels and logos and applications therefor in which Debtor has any rights and in which Debtor has applied for any rights as of the date of this Agreement; and

(b) the information set forth in Exhibit A hereto is entirely correct.

6. Covenants. Until the obligations secured hereby shall have been paid in full (or released by Bank), Debtor hereby covenants and agrees to cooperate with Bank in whatever manner may be necessary or which Bank may deem necessary or appropriate so that Bank may enjoy its rights and interests hereunder to the fullest extent. Such cooperation shall include, without limitation:

(a) prompt preparation and execution (at Debtor's expense) of all petitions, oaths, specifications, declarations or other papers that may be necessary or which Bank may deem necessary or appropriate for prosecuting any trademark or other Property applications or applications for the reissuance of any trademark or other Property in which Bank acquires a security interest hereunder and for prosecuting interference proceedings involving any such Property applications pertaining to any such Property; and

(b) prompt assistance and cooperation (at Debtor's expense) in the prosecuting of any legal actions or other proceedings involving any Property or application pertaining to any Property in which Bank acquires a security interest hereunder, including without limitation, oppositions, cancellation proceedings, priority contests, public use proceedings and court actions alleging infringement or any other cause of action.

7. Defense of Property; Indemnity. Until the obligations secured hereby shall have been paid in full (or released by Bank), Debtor hereby covenants and agrees promptly upon

request of Bank to defend the Property and Bank's rights and interests therein and to promptly notify Bank of any event, occurrence or legal action which affects the Property or the rights of the parties in relation thereto. Debtor acknowledges that Bank may, but shall have no obligation whatsoever to, commence any legal action or other proceeding to defend the Property or to contest the use by any other party of the Property or any portion thereof. Debtor shall unconditionally indemnify Bank and hold Bank harmless from and against all claims, causes of action, damages, liability, costs and expenses, including reasonable attorneys' fees, that Bank may be subject to in connection with this Agreement except those arising out of the gross negligence or willful misconduct of Bank, including without limitation, Property infringement suits that may be brought against Bank.

8. Defaults. Upon the failure of Debtor to pay when due any sums owing to Bank or upon occurrence of any Event of Default as defined in the Security Agreement or upon occurrence of any Event of Default as defined in the Loan Agreement and/or any contract or instrument pursuant to which Debtor has incurred or may at any time hereafter incur any liabilities, indebtedness or other obligations to Bank, subject to applicable cure provisions, if any, Bank shall have the rights and remedies available to a secured party under law and/or expressly provided in the Security Agreement, the Loan Agreement and/or any such other contract or instrument. In addition, Bank shall have the right to sue for past infringement of the Property and to collect all damages and profits for past infringements.

If any Event of Default (as defined in the Security Agreement) or Event of Default (as defined in the Loan Agreement) shall have occurred and be continuing, and following the giving of any notices required hereby (and notices required by the Security Agreement and the Loan Agreement), Debtor's license under the Property as set forth in Paragraph 4 shall terminate forthwith (subject to reinstatement as set forth in such Paragraph 4), and Bank shall have, in addition to all other rights and remedies given it by this Agreement and the Security Agreement, those allowed by law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in any jurisdiction in which the Property may be located and, without limiting the generality of the foregoing, Bank may immediately, without demand of performance and without other notice (except as set forth next below) or demand whatsoever to Debtor, all of which are expressly waived, and without advertisement, sell at public or private sale or otherwise realize upon the whole or from time to time any part of the Property or any interest which the Debtor may have therein, and after deducting from the proceeds of sale or other disposition of the Property all expenses (including all reasonable expenses for brokers' fees and legal services), shall apply the residue of such proceeds toward the payment of the obligations secured hereby. Any remainder of the proceeds after payment in full of such obligations shall be paid over to the Debtor. Notice of any sale or other disposition of the Property shall be given to Debtor at least five (5) days before the time any intended public or private sale or other disposition of the Property is to be made, which Debtor hereby agrees shall be reasonable notice of such sale or other disposition. At any such sale or other disposition, any holder of any note or Bank may, to the extent permissible under applicable law, purchase the whole or any part thereof.

9. Relation to Security Agreement. This Agreement is a supplement to the Security Agreement, and Bank's rights and remedies, and Debtor's obligations and waivers, under the Security Agreement, and the interpretive principles stated in the Security Agreement shall be applicable hereunder; provided however, that this Agreement and the Security Agreement shall be construed together so as to grant Bank the greatest rights and remedies with regard to the Property; and provided further, that Bank's rights and remedies hereunder may be expressly modified by amendments to the Security Agreement from time to time.

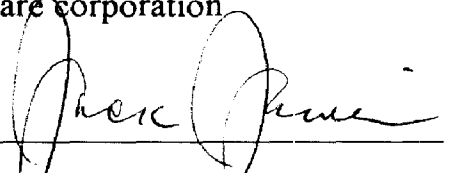
10. Successors; Assigns. This Agreement shall be binding upon and inure to the benefit of the heirs, executors, administrators, legal representatives, successors and assigns of the parties; provided however, that Debtor may not assign this Agreement or any interest herein without Bank's prior written consent.

11. Enforceability. If any provision of this Agreement shall for any reason be unenforceable in any respect, such unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if such unenforceable provisions had not been contained herein.

12. Governing Law. Except to the extent that Federal law preempts, this Agreement shall be governed by and construed in accordance with the laws of the State of California.

IN WITNESS WHEREOF, Debtor and Bank hereby execute and acknowledge this Agreement as of the date first written above.

nStor Corporation, Inc.,
a Delaware corporation

By: 
Title: VICE PRES

WELLS FARGO CREDIT, INC.

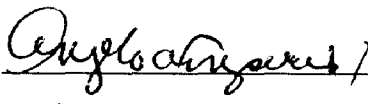
By: 
Title: VICE PRESIDENT

EXHIBIT A
to
TRADEMARK COLLATERAL ASSIGNMENT AGREEMENT
Dated as of Oct 30, 2000

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