

01-09-2001

1.3.01

FORM PTO-
1-31-92



101575745

FRONT SHEET
ONLY

U.S. DEPARTMENT OF COMMERCE
Patent and Trademark Office

To the Honorable Commissioner of Patents and Trademarks: **Please record the attached** original documents or copy thereof.

1. Name of conveying party(ies):
Intelligent Reasoning Systems, Inc.

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

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

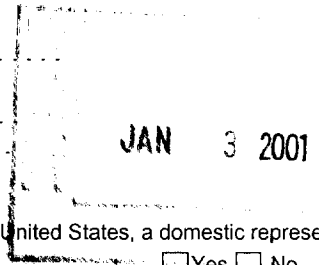
3. Nature of conveyance:
 Assignment Merger
 Security Agreement Change of Name
 Other

Execution Date: **11/17/00**

2. Name and address of receiving party(ies):
Name: Silicon Valley Bank
Internal Address: Loan Documentation HG150
Street Address: 3003 Tasman Drive
City: Santa Clara State: Ca ZIP: 95054

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



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

A. Trademark Application No.(s)
See attached Exhibit "C"

B. Trademark Registration No.(s) **75340676**
See attached Exhibit "C"

Additional numbers attached? Yes No

5. Name and address of party to whom correspondence concerning document should be mailed:
Name: Silicon Valley Bank
Internal Address: Loan Documentation HG150
Street Address: 3003 Tasman Dr.
City: Santa Clara State: Ca ZIP: 95054

6. Total number of applications and registrations involved: **3**

7. Total fee (37 CFR 3.41): \$ **90.00**
 Enclosed
 Authorized to be charged to deposit account

8. Deposit account number:
(Attach duplicate copy of this page if paying by deposit account)

DO NOT USE THIS SPACE

01/08/2001 MTHAI1 00000235 75340676
01 FC:481 40.00 DP
02 FC:482 50.00 DP

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.

Shannon Hubbard **Shannon Hubbard** **12/8/00**
Name of Person Signing Signature Date

Total number of pages comprising cover sheet:

OMB No 0651 -0011 (exp 4/94)

TRADEMARK
REEL: 002209 FRAME: 0095

EXHIBIT "C"

TRADEMARKS

GCW&F Docket # & Country	Trademark Class	Status	Application No. Filing Date	Registration No. Registration Date
INTEL 900104 US	INTELLIGENT REASONING SYSTEMS, INC. Class 9	Amendment to Supplemental Register filed on November 6, 2000.	75/340676 August 14, 1997	Per Client's Request, Mark will be placed on the Supplemental Register
INTEL 900105 US	AIMS Class 9	Registered.	75/340685 August 14, 1997	2,341,698 April 11, 2000
INTEL 900106 US	Miscellaneous Design Class 9	Registered	75/340675 August 14, 1997	2,358,063 June 13, 2000

INTELLECTUAL PROPERTY SECURITY AGREEMENT

This Intellectual Property Security Agreement (this "IP Agreement") is made as of the 17th day of November 2000 by and between Intelligent Reasoning Systems, Inc. ("Grantor"), and Silicon Valley Bank, a California banking corporation ("Bank").

RECITALS

A. Bank has made and will continue to make credit extensions to Grantor as described in that certain Loan and Security Agreement dated January 12, 1999 and that certain Loan and Security Agreement dated July 20, 2000 (collectively, the "Loan Agreement"), but only if Grantor grants Bank a security interest in its Copyrights, Trademarks, Patents, and Mask Works. Defined terms used but not defined herein shall have the same meanings as in the Loan Agreement.

B. 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 Grantor's Indebtedness under the Loan Agreement, Grantor hereby represents, warrants, covenants and agrees as follows:

1. Grant of Security Interest. As collateral security for the prompt and complete payment and performance of all of Grantor's present or future Indebtedness, obligations and liabilities to Bank, Grantor hereby grants a security interest in all of Grantor's right, title and interest in, to and under its Intellectual Property Collateral (all of which shall collectively be called the "Intellectual Property Collateral"), including, without limitation, the following:

(a) Any and all copyright rights, copyright applications, copyright registrations and like protections in each work or authorship and derivative work thereof, whether published or unpublished and whether or not the same also constitutes a trade secret, now or hereafter existing, created, acquired or held, including without limitation those set forth on Exhibit A attached hereto (collectively, the "Copyrights");

(b) Any and all trade secrets, and any and all intellectual property rights in computer software and computer software products now or hereafter existing, created, acquired or held;

(c) Any and all design rights which may be available to Grantor now or hereafter existing, created, acquired or held;

(d) All patents, patent applications and like protections including, without limitation, improvements, divisions, continuations, renewals, reissues, extensions and continuations-in-part of the same, including without limitation the patents and patent applications set forth on Exhibit B attached hereto (collectively, the "Patents");

(e) Any trademark and servicemark rights, whether registered or not, applications to register and registrations of the same and like protections, and the entire goodwill of the business of Grantor connected with and symbolized by such trademarks, including without limitation those set forth on Exhibit C attached hereto (collectively, the "Trademarks")

(f) All mask works or similar rights available for the protection of semiconductor chips, now owned or hereafter acquired, including, without limitation those set forth on Exhibit D attached hereto (collectively, the "Mask Works");

(g) Any and all claims for damages by way of past, present and future infringements of any of the rights included above, with the right, but not the obligation, to sue for and collect such damages for said use or infringement of the intellectual property rights identified above;

(h) All licenses or other rights to use any of the Copyrights, Patents, Trademarks, or Mask Works and all license fees and royalties arising from such use to the extent permitted by such license or rights; and

(i) All amendments, extensions, renewals and extensions of any of the Copyrights, Trademarks, Patents, or Mask Works; and

(j) All proceeds and products of the foregoing, including without limitation all payments under insurance or any indemnity or warranty payable in respect of any of the foregoing.

Notwithstanding the foregoing, the security interest granted herein does not extend to and the term "Intellectual Property Collateral" does not include any license or contract rights to the extent (i) the granting of a security interest in it would be contrary to applicable law, or (ii) that such rights are nonassignable by their terms (but only to the extent such prohibition is enforceable under applicable law, including, without limitation, Section 9318(4) of the Code) without the consent of the licensor or other party (but only to the extent such consent has not been obtained). Except as disclosed on the Schedule, Borrower is not a party to, nor is bound by, any license or other agreement that prohibits or otherwise restricts Borrower from granting a security interest in Borrower's interest in such license or agreement or any other property. Without prior notice to Bank, Borrower shall not enter into, or become bound by, any such license or agreement which is reasonably likely to have a material impact on Borrower's business or financial condition. Borrower shall take such commercially reasonable steps as Bank requests to obtain the consent of, or waiver by, any person whose consent or waiver is necessary for such licenses or contract rights to be deemed "Intellectual Property Collateral" and for Bank to have a security interest in it that might otherwise be restricted or prohibited by law or by the terms of any such license or agreement, whether now existing or entered into in the future.

2. Authorization and Request. Grantor authorizes and requests that the Register of Copyrights and the Commissioner of Patents and Trademarks record this IP Agreement.

3. Covenants and Warranties. Grantor represents, warrants, covenants and agrees as follows:

(a) Grantor is now the sole owner of the Intellectual Property Collateral, except for non-exclusive licenses granted by Grantor to its customers in the ordinary course of business.

(b) Performance of this IP Agreement does not conflict with or result in a breach of any IP Agreement to which Grantor is bound, except to the extent that certain intellectual property agreements prohibit the assignment of the rights thereunder to a third party without the licensor's or other party's consent and this IP Agreement constitutes a security interest.

(c) During the term of this IP Agreement, Grantor will not transfer or otherwise encumber any interest in the Intellectual Property Collateral, except for non-exclusive licenses granted by Grantor in the ordinary course of business or as set forth in this IP Agreement;

(d) To its knowledge, (i) each of the Patents is valid and enforceable, (ii) no part of the Intellectual Property Collateral has been judged invalid or unenforceable, in whole or in part, and (iii) no claim has been made that any part of the Intellectual Property Collateral violates the rights of any third party;

(e) Grantor shall promptly advise Bank of any material adverse change in the composition of the Collateral, including but not limited to any subsequent ownership right of the Grantor in or to any Trademark, Patent, Copyright, or Mask Work specified in this IP Agreement;

(f) Grantor shall (i) use commercially reasonable efforts to protect, defend and maintain the validity and enforceability of the Trademarks, Patents, Copyrights, and Mask Works, (ii) use its commercially reasonable efforts to detect infringements of the Trademarks, Patents, Copyrights, and Mask Works and promptly advise Bank in writing of material infringements detected and (iii) not allow any Trademarks, Patents, Copyrights, or Mask Works to be abandoned, forfeited or dedicated to the public without the written consent of Bank, which shall not be unreasonably withheld, unless Grantor determines that reasonable business practices suggest that abandonment is appropriate;

(g) Grantor shall promptly register the most recent version of any of Grantor's Copyrights, which its Board of Directors of Borrower deems, in good faith, appropriate for the development of Borrower's business, if not so already registered, and shall, from time to time, execute and file such other instruments, and take such further actions as Bank may reasonably request from time to time to perfect or continue the perfection of Bank's interest in the Intellectual Property Collateral;

(h) This IP Agreement creates, and in the case of after acquired Intellectual Property Collateral, this IP Agreement will create at the time Grantor first has rights in such after acquired Intellectual Property Collateral, in favor of Bank a valid and perfected first priority security interest in the Intellectual Property Collateral in the United States securing the payment and performance of the obligations evidenced by the Loan Agreement upon making the filings referred to in clause (i) below;

(i) To its knowledge, except for, and upon, the filing with the United States Patent and Trademark office with respect to the Patents and Trademarks and the Register of Copyrights with respect to the Copyrights and Mask Works necessary to perfect the security interests created hereunder and except as has been already made or obtained, no authorization, approval or other action by, and no notice to or filing with, any U.S. governmental authority or U.S. regulatory body is required either (i) for the grant by Grantor of the security interest granted hereby or for the execution, delivery or performance of this IP Agreement by Grantor in the U.S. or (ii) for the perfection in the United States or the exercise by Bank of its rights and remedies thereunder;

(j) All information heretofore, herein or hereafter supplied to Bank by or on behalf of Grantor with respect to the Intellectual Property Collateral is accurate and complete in all material respects.

(k) Grantor shall not enter into any agreement that would materially impair or conflict with Grantor's obligations hereunder without Bank's prior written consent, which consent shall not be unreasonably withheld. Grantor shall not permit the inclusion in any material contract to which it becomes a party of any provisions that could or might in any way prevent the creation of a security interest in Grantor's rights and interest in any property included within the definition of the Intellectual property Collateral acquired under such contracts, except that certain contracts may contain anti-assignment provisions that could in effect prohibit the creation of a security interest in such contracts.

(l) Upon any executive officer of Grantor obtaining actual knowledge thereof, Grantor will promptly notify Bank in writing of any event that materially adversely affects the value of any material Intellectual Property Collateral, the ability of Grantor to dispose of any material Intellectual Property Collateral of the rights and remedies of Bank in relation thereto, including the levy of any legal process against any of the Intellectual Property Collateral.

4. Bank's Rights. Bank shall have the right, but not the obligation, to take, at Grantor's sole expense, any actions that Grantor is required under this IP Agreement to take but which Grantor fails to take. Grantor shall reimburse and indemnify Bank for all reasonable costs and reasonable expenses incurred in the reasonable exercise of its rights under this section 4.

5. Inspection Rights. Grantor hereby grants to Bank and its employees, representatives and agents the right to visit, during reasonable hours upon prior reasonable notice to Grantor, and any of Grantor's plants and facilities that manufacture, install or store products (or that have done so during the prior six-month period) that are sold utilizing any of the Intellectual Property Collateral, and to inspect the products and quality control records relating thereto upon reasonable written notice to Grantor and as often as may be reasonably requested, but not more than one (1) in every six (6) months; provided, however, nothing herein shall entitle Bank access to Grantor's trade secrets and other proprietary information.

6. Further Assurances; Attorney in Fact.

(a) Subject to Paragraph 3, on a continuing basis, Grantor will, subject to any prior licenses, encumbrances and restrictions and prospective licenses, make, execute, acknowledge and deliver, and file and record in the proper filing and recording places in the United States, all such instruments, including appropriate financing and continuation statements and collateral agreements and filings with the United States Patent and Trademarks Office and the Register of Copyrights, and take all such action as may reasonably be deemed necessary or advisable, or as reasonably requested by Bank, to perfect Bank's security interest in all Copyrights, Patents, Trademarks, and Mask Works, or for assuring and confirming to Bank the grant or perfection of a security interest in all Intellectual Property Collateral.

(b) Grantor hereby irrevocably appoints Bank as Grantor's attorney-in-fact, with full authority in the place and stead of Grantor and in the name of Grantor, Bank or otherwise, from time to time in Bank's discretion, upon Grantor's failure or inability to do so, to take any action and to execute any instrument which Bank may deem necessary or advisable, including:

(i) To modify, in its sole discretion, this IP Agreement without first obtaining Grantor's approval of or signature to such modification by amending Exhibit A, Exhibit B, Exhibit C, and Exhibit D hereof, as appropriate, to include reference to any right, title or interest in any Copyrights, Patents, Trademarks or Mask Works acquired by Grantor after the execution hereof or to delete any reference to any right, title or interest in any Copyrights, Patents, Trademarks, or Mask Works in which Grantor no longer has or claims any right, title or interest; and

(ii) To file, in its sole discretion, one or more financing or continuation statements and amendments thereto, relative to any of the Intellectual Property Collateral without the signature of Grantor where permitted by law.

7. Events of Default. The occurrence of any of the following shall constitute an Event of Default under this IP Agreement:

(a) An Event of Default occurs under the Loan Agreement; or

(b) Grantor breaches any warranty or agreement made by Grantor in this IP Agreement.

8. Remedies. Upon the occurrence and continuance of an Event of Default, Bank shall have the right to exercise all the remedies of a secured party under the California Uniform Commercial Code, including without limitation the right to require Grantor to assemble the Intellectual Property Collateral and any tangible property in which Bank has a security interest and to make it available to Bank at a place designated by Bank. Bank shall have a nonexclusive, royalty free license to use the Copyrights, Patents, Trademarks, and Mask Works to the extent reasonably necessary to permit Bank to exercise its rights and remedies upon the occurrence of an Event of Default. Grantor will pay any expenses (including reasonable attorney's fees) incurred by Bank in connection with the exercise of any of Bank's rights hereunder, including without limitation any expense incurred in disposing of the Intellectual Property Collateral. All of Bank's rights and remedies with respect to the Intellectual Property Collateral shall be cumulative.

9. Indemnity. Grantor agrees to defend, indemnify and hold harmless Bank and its officers, employees, and agents against: (a) all obligations, demands, claims, and liabilities claimed or asserted by any other party in connection with the transactions contemplated by this IP Agreement, and (b) all losses or expenses in any way suffered, incurred, or paid by Bank as a result of or in any way arising out of, following or consequential to transactions between Bank and Grantor, whether under this IP Agreement or otherwise (including without limitation, reasonable attorneys fees and reasonable expenses), except for losses arising from or out of Bank's gross negligence or willful misconduct.

10. Reassignment. At such time as Grantor shall completely satisfy all of the obligations secured hereunder, Bank shall execute and deliver to Grantor all deed, assignments, and other instruments as may be necessary or proper to reinvest in Grantor full title to the property assigned hereunder, subject to any disposition thereof which may have been made by Bank pursuant hereto.

11. Course of Dealing. No course of dealing, nor any failure to exercise, nor any delay in exercising any right, power or privilege hereunder shall operate as a waiver thereof.

12. Attorneys' Fees. If any action relating to this IP Agreement is brought by either party hereto against the other party, the prevailing party shall be entitled to recover reasonable attorneys fees, costs and disbursements.

13. Amendments. This IP Agreement may be amended only by a written instrument signed by both parties hereto.

14. Counterparts. This IP Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute the same instrument.

15. Law and Jurisdiction. This IP Agreement shall be governed by and construed in accordance with the laws of the State of California, without regard for choice of law provisions. Grantor and Bank consent to the nonexclusive jurisdiction of any state or federal court located in Santa Clara County, California.

16. Confidentiality. In handling any confidential information, Bank shall exercise the same degree of care that it exercises with respect to its own proprietary information of the same types to maintain the confidentiality of any non-public information thereby received or received pursuant to this IP Agreement except that the disclosure of this information may be made (i) to the affiliates of the Bank, (ii) to prospective transferee or purchasers of an interest in the obligations secured hereby, provided that they have entered into comparable confidentiality agreement in favor of Grantor and have deliver a copy to Grantor, (iii) as required by law, regulation, rule or order, subpoena judicial order or similar order and (iv) as may be required in connection with the examination, audit or similar investigation of Bank.

IN WITNESS WHEREOF, the parties hereto have executed this IP Agreement on the day and year first above written.

Address of Grantor:

100 Michaelangelo Way, Building E-900
Austin, TX 78728

GRANTOR:

INTELLIGENT REASONING SYSTEMS, INC.

By: *Dattal-y CFO*

Name: *Barton Vanderburg*

Title: *Chief Financial Officer*

Exhibit "A" attached to that certain Intellectual Property Security Agreement dated November 17, 2000.

EXHIBIT "A"

COPYRIGHTS

None

EXHIBIT "B"

PATENTS

GCW&F Matter No. Country Status	Title	Inventors	Serial Number/ Filing Date	Patent Number/ Issue Date
INTEL 1100 US	Automated Visual Inspection System and Process for Detecting and Classifying Defects	Mark R. DeYong	08/935,351 September 22, 1997	
INTEL 1100-WO Patent Cooperation Treaty	Automated Visual Inspection System and Process for Detecting and Classifying Defects	Mark R. DeYong	PCT/US98/19544 September 22, 1998	
INTEL 1100-MY Malaysia	Automated Visual Inspection System and Process for Detecting and Classifying Defects	Mark R. DeYong	PI9804561 October 6, 1998	
INTEL 1140 US allowed	Light Array System and Method for Illumination of Objects Imaged by Imaging Systems	Robert W. Tait Alvaro D. Lewin Mark R. DeYong	09/139,172 August 24, 1998	
INTEL 1140-WO Patent Cooperation Treaty Published	Light Array System and Method for Illumination of Objects Imaged by Imaging Systems	Robert W. Tait Alvaro D. Lewin Mark R. DeYong	PCT/US99/19228 August 24, 1999	
INTEL 1141 US (CIP of INTEL 1140) Pending	Light Array System and Method for Illumination of Objects Imaged by Imaging Systems	Robert W. Tait Alvaro D. Lewin Mark R. DeYong	09/620,172 July 19, 2000	
INTEL 1142 US (CON of INTEL 1140) Pending	Light Array System and Method for Illumination of Objects Imaged by Imaging Systems	Robert W. Tait Alvaro D. Lewin Mark R. DeYong	09/618,906 July 18, 2000	

INTEI 1150 US Pending	System And Method For Dynamic Image Recognition	Mark R. DeYong Jeff E. Newberry John W. Grace Thomas C. Eskridge	09/363,004 July 28, 1999	
INTEI 1150-WO Patent Cooperation Treaty Pending	System And Method For Dynamic Image Recognition	Mark R. DeYong Jeff E. Newberry John W. Grace Thomas C. Eskridge	US00/16818 June 19, 2000	
INTEI 1150-TW Taiwan Pending	System And Method For Dynamic Image Recognition	Mark R. DeYong Jeff E. Newberry John W. Grace Thomas C. Eskridge	89115037 October 17, 2000	
INTEL 1160 US Pending	User Interface for Automated Optical Inspection Systems	Thomas C. Eskridge Jeff E. Newberry Mark R. DeYong Scott A. Dunn Wesley K. Huffstutter John W. Grace Marc A. Lumeyer Michael A. Ellison John R. Zoch	09/360,854 July 24, 1999	
INTEL 1160-WO Patent Cooperation Treaty Pending	User Interface for Automated Optical Inspection Systems	Thomas C. Eskridge Jeff E. Newberry Mark R. DeYong Scott A. Dunn Wesley K. Huffstutter John W. Grace Marc A. Lumeyer Michael A. Ellison John R. Zoch	US00/16818 June 19, 2000	
INTEL 1160-TW Taiwan Pending	User Interface for Automated Optical Inspection Systems	Thomas C. Eskridge Jeff E. Newberry Mark R. DeYong Scott A. Dunn Wesley K. Huffstutter John W. Grace Marc A. Lumeyer Michael A. Ellison John R. Zoch	89114752 July 24, 2000	
INTEL 1170 US Pending	FSI 2000	Alvaro D. Lewin Paul Forderhase Roberta Tait John W. Grace Mark R. DeYong	09/689,000 October 16, 2000	

Exhibit "D" attached to that certain Intellectual Property Security Agreement dated November 17, 2000.

EXHIBIT "D"

MASK WORKS

None

Illigent Reasoning holds sole license to the following issued patents/patent applications:

- i) Title: Asynchronous Temporal Neural Processing Element
U.S. Patent No.: 5,355,435
Filing Date: May 18, 1992
Issue Date: October 11, 1994

European Patent No.: 93913970.5
Filing Date: May 17, 1993
Issue Date: Pending

- ii) Title: Digitally Configurable Analog VLSI Chip & Method
for Real-Time Solution of Partial Differentialations
U.S. Patent No.: 6,141,676
Filing Date: July 22, 1998
Issue Date: October 31, 2000