

FORM PTO-1594 (Modified)  
(Rev. 6-93)  
CMB No. 0351-0011 (exp. 4/94)  
Copyright 1994-97 LegalStar  
IMC5-REV.03

11-30-2001

ET  
Y

Docket No: **D**  
30505.0.84.1



Tab settings

To the Honorable Commissioner of Pat.

101904013

attached original documents or copy thereof.

1. Name of conveying party(ies):

**Chromium Graphics**  
(f/k/a Signs & Glassworks, Inc.  
a/k/a Glassworks Incorporated  
a/k/a S & G Chromium Graphics)

11-21-01

- Individual(s)
- General Partnership
- Corporation-State **California**
- Other

Additional names(s) of conveying party(ies)  Yes  No

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

Name: **UV Color, Inc.**

Internal Address:

Street Address: **2430 Prior Avenue North**

City: **Roseville** State: **MN** ZIP: **55113**

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

If assignee is not domiciled in the United States, a domestic designation is  Yes  N  
(Designations must be a separate document from Additional name(s) & address(es)  Yes  N

3. Nature of conveyance:

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

Execution Date: **November 20, 2001**

4. Application number(s) or reg:

A. Trademark Application No.(s)

76-287-752  
75-487-891



11-21-2001

U.S. Patent & TMOs/TM Mail Rpt Dt. #70

Additional numbers

B. Trademark Registration No.(s)

1,997,642	2,021,206
2,012,459	1,981,568
2,021,208	1,863,204

Yes  No

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

Name: **Scott P. Sullivan, Fredrikson & Byron, P.A.**

Internal Address:

Street Address: **1100 International Centre**

**900 Second Avenue South**

City: **Minneapolis** State: **MN** ZIP: **55402**

6. Total number of applications and registrations involved: **8**

7. Total fee (37 CFR 3.41): \$ **215.00**

- Enclosed
- Authorized to be charged to deposit account

8. Deposit account number:

061910

11/29/2001 DBYRNE 00000094 76287752

DO NOT USE THIS SPACE

01 FC:481  
02 FC:482

40.00 DP  
175.00 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.

Scott P. Sullivan  
Name of Person Signing

Signature

November 21, 2001  
Date

Total number of pages including cover sheet, attachments, and

59

TRADEMARK

## ASSIGNMENT OF TRADEMARKS, APPLICATIONS, AND REGISTRATIONS

WHEREAS, Fleet National Bank, a national banking association having a place of business at 100 Federal Street, Boston Massachusetts 02109, Wainwright Bank & Trust Company, and ARK CLO 2000-1 Limited are each and jointly the true and lawful attorney-in-fact for Chromium Graphics, Incorporated, f/k/a Signs and Glassworks, Incorporated a/k/a S&G Chromium Graphics a/k/a Glassworks Incorporated ("Assignor") pursuant to the terms of the Pledge and Security Agreement – All Assets, dated February 3, 1995 between Signs and Glassworks, Incorporated ("SGI") and The National Bank of Boston, as amended by the First Amendment to Pledge and Security Agreement – All Assets (Chromium Graphics), dated August 8, 1997; as further amended by the Second Amendment to Pledge and Security Agreement – All Assets (Chromium Graphics), dated May 17, 2001. And whereas, Fleet National Bank is the true and lawful attorney-in-fact for Assignor pursuant to the terms of the Patent and Trademark Security Agreement, dated February 3, 1995 between SGI and First National Bank of Boston. And, whereas Assignor is named as the owner of record of certain Trademarks, Trademark Applications and Trademark Registrations listed on the attached Exhibit B (hereinafter "the Marks"); and

WHEREAS, UV Color, Inc., a Minnesota corporation having a place of business at 2430 Prior Avenue North, Roseville, Minnesota 55113 (hereinafter "Assignee"), is desirous of acquiring the Marks and the applications and registrations thereof;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, to the extent that Chromium Graphics has rights therein, Assignor hereby assigns to Assignee all right, title and interest in and to the Marks, together with the goodwill of the business associated therewith and the registrations thereof, as set forth on Exhibit B hereto.

This Assignment includes all rights in the nature of trademark, service mark, and trade name rights, as well as the right to sue for past infringement by any third party.

[Signature pages appear on the following sheets.]

CHROMIUM GRAPHICS, INCORPORATED  
f/k/a SIGNS AND GLASSWORKS,  
INCORPORATED

BY IT'S ATTORNEY-IN-FACT  
FLEET NATIONAL BANK

By Virginia Bennett  
Name Virginia Bennett  
Title Director

STATE OF MASSACHUSETTS )  
 ) ss.  
COUNTY OF Suffolk )

On this 20<sup>th</sup> day of November, 2001, before me, a notary public in and for said county, appeared (Name) Virginia Bennett (Title) Director of Fleet National Bank, the person who signed this instrument, who acknowledged that he signed it as a free act on behalf of said company with authority to do so.

David B...  
Notary Public

My commission expires  
7/1/03

CHROMIUM GRAPHICS, INCORPORATED  
f/k/a SIGNS AND GLASSWORKS,  
INCORPORATED

BY IT'S ATTORNEY-IN-FACT  
WAINWRIGHT BANK & TRUST COMPANY

By *Steven J. Tromp*  
Name STEVEN J. TROMP  
Title SUP

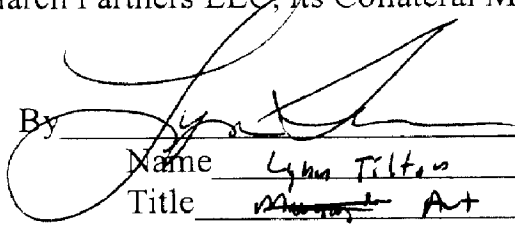
STATE OF MASSACHUSETTS )  
 ) ss.  
COUNTY OF *Suffolk* )

On this \_\_\_\_\_ day of \_\_\_\_\_, 2001, before me, a notary public in and for said county, appeared (Name) *Steven J. Tromp*, (Title) *SUP* of Wainwright Bank & Trust Company, the person who signed this instrument, who acknowledged that he signed it as a free act on behalf of said company with authority to do so.

*Joseph J. Pate*  
Notary Public *My Commission Expires 6/27/02*

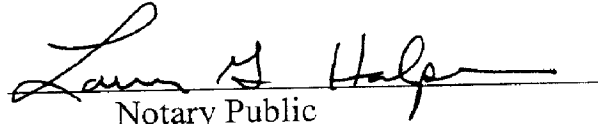
CHROMIUM GRAPHICS, INCORPORATED  
f/k/a SIGNS AND GLASSWORKS,  
INCORPORATED

BY IT'S ATTORNEY-IN-FACT  
ARK CLO 2000-1 LIMITED  
By Patriarch Partners LLC, its Collateral Manager

By   
Name Lynn Tilton  
Title Attorney in Fact

STATE OF NEW YORK )  
 ) ss.  
COUNTY OF New York )

On this 20<sup>th</sup> day of November, 2001, before me, a notary public in and for said county, appeared (Name) Lynn Tilton, (Title) Attorney in Fact of Patriarch Partners LLC, the person who signed this instrument, who acknowledged that he signed it as a free act on behalf of said company with authority to do so.

  
Notary Public  
**LARRY G. HALPERIN**  
Notary Public, State of New York  
No. 02HA4936586  
Qualified in New York County  
Commission Expires June 13, ~~2003~~

## **EXHIBIT B**

### **Registered U.S. Trademarks:**

Reg. No. 1,997,642, WINDOW DIMENSIONS, August 27, 1996

Reg. No. 2,012,459, CLEAR CHROME, October 29, 1996

Reg. No. 2,021,208, KROME, December 3, 1996

Reg. No. 2,021,206, CHROMIUM, December 3, 1996

Reg. No. 1,981,568, HOLOCHROME, June 18, 1996

Reg. No. 1,863,204, THE ORIGINAL KROME KAP, November 15, 1994

### **U.S. Trademark Applications:**

Serial No. 76-287-752, DIMENSIONALFX, Filed July 19, 2001

Serial No. 75-487-891, KROMEFX, May 19, 1998

## ASSIGNMENT OF PATENTS AND APPLICATIONS

WHEREAS, Fleet National Bank, a national banking association having a place of business at 100 Federal Street, Boston Massachusetts 02109, Wainwright Bank & Trust Company, and ARK CLO 2000-1 Limited are each and jointly the true and lawful attorney-in-fact for Chromium Graphics, Incorporated, f/k/a Signs and Glassworks, Incorporated a/k/a S&G Chromium Graphics a/k/a Glassworks Incorporated ("Assignor") pursuant to the terms of the Pledge and Security Agreement – All Assets, dated February 3, 1995 between Signs and Glassworks, Incorporated ("SGI") and The National Bank of Boston, as amended by the First Amendment to Pledge and Security Agreement – All Assets (Chromium Graphics), dated August 8, 1997; as further amended by the Second Amendment to Pledge and Security Agreement – All Assets (Chromium Graphics), dated May 17, 2001. And whereas, Fleet National Bank is the true and lawful attorney-in-fact for Assignor pursuant to the terms of the Patent and Trademark Security Agreement, dated February 3, 1995 between SGI and First National Bank of Boston. And whereas, Assignor is named as the owner of record of the United States and foreign Patents and Patent Applications identified on the attached Exhibit A; and


WHEREAS, UV Color, Inc., a Minnesota corporation having a place of business at 2430 Prior Avenue North, Roseville, Minnesota 55113 ("Assignee"), is desirous of acquiring the entire right, title and interest in and to the United States and foreign Patents and Patent Applications and in and to the inventions described and claimed therein;

NOW, THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, to the extent that Chromium Graphics, Inc. has rights therein, Assignor hereby sells, assigns and transfers to Assignee, its successors and assigns, the entire right, title and interest in and to the Patents and Patent Applications listed on Exhibit A hereto including the inventions therein described and claimed, all rights for past infringement thereof, all renewals, reissues, extensions, substitutions, continuations, continuations-in-part, or divisions thereof, and all foreign applications based thereon, and the right to apply for patents in foreign countries in its own name, including the right to claim any priority rights to which such foreign applications are entitled under international conventions, treaties, or otherwise.

[Signature pages appear on the following sheets.]

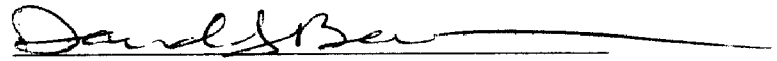
CHROMIUM GRAPHICS, INCORPORATED  
f/k/a SIGNS AND GLASSWORKS,  
INCORPORATED

BY IT'S ATTORNEY-IN-FACT  
FLEET NATIONAL BANK

By   
Name Virginia Bennett  
Title Director

STATE OF MASSACHUSETTS )  
 ) ss.  
COUNTY OF Suffolk )

On this 20<sup>th</sup> day of November, 2001, before me, a notary public in and for said county, appeared (Name) Virginia Bennett (Title) Director of Fleet National Bank, the person who signed this instrument, who acknowledged that he signed it as a free act on behalf of said company with authority to do so.

  
Notary Public  
My commission expires  
7/21/03







## EXHIBIT A

### U.S. Patents:

- 4,793,635, Radiopaque graphics, Issued December 27, 1988
- 4,933,218, Sign with transparent substrate, Issued June 12, 1990
- 5,082,703, Sign with transparent substrate, Issued January 21, 1992
- 5,106,126, Process Printed Image with reflective coating, Issued April 21, 1992
- 5,222,315, Picture display frame, Issued June 29, 1993
- 5,223,357, Promotional display signage and method of manufacture, Issued June 29, 1993
- 5,323,551, Picture frame, Issued June 28, 1994
- 5,407,711, Display with enhanced highlights, Issued April 18, 1995
- 5,635,283, Trading card with iridescent substrate, Issued June 3, 1997
- 5,713,148, Frame with picture holder, Issued February 3, 1998
- 5,716,682, Three dimensional card, Issued February 10, 1998
- 5,724,891, Method for manufacturing a display, Issued March 10, 1998
- 5,802,979, Method for manufacturing a display, Issued September 8, 1998
- 5,946,773, Food product handle, Issued September 7, 1999
- 5,968,607, Device and method for etch and emboss process printing, Issued October 19, 1999

### U.S. Patent Applications:

- Serial No. 08/159,671, Neon Sign, Filed November 30, 1993
- Serial No. 08/219,368, Trading Card Protector, Filed March 29, 1994
- Serial No. 08/310,278, Frame with Picture Holder, Filed September 24, 1994
- Serial No. 08/305,173, Animation Cell Trading Card, Filed September 13, 1994
- Serial No. 09/440,024, Container Wrap, Filed December 11, 1999

**Foreign Patents:**

JP 1862179, Sign with Transparent Substrate,

JP 1942941, Sign with Transparent Substrate,

JP 2790151, Process Printed Image with Reflective Coating,

JP 22683517, Frame with Picture Holder,

EP 458631, Sign with Transparent Substrate,

EP 559754, Process Printed Image with Reflective Coating,

AU 646612, Reflective Display and Method of Manufacture, Issued February 24, 1994

AU 671780, Display with Enhanced Highlights, Issued September 5, 1996

AU 724748, Method for Manufacturing a Display, September 28, 2000



**AFFIDAVIT OF FORECLOSURE**

The undersigned officer of Fleet National Bank, on oath duly sworn, does depose and say that Fleet National Bank, as successor to BankBoston, N.A., as successor to The First National Bank of Boston, a national banking association, having an office at 100 Federal Street, Boston, Massachusetts, 02019, holds a security interest in all assets, including the entire body of general intangibles (as that term was defined in section 9-106 and is defined in section 9-102(a)(42) of the Uniform Commercial Code) owned by Chromium Graphics, a California Corporation, f/k/a Signs and Glassworks ("Borrower"), formerly having its headquarters at 2425 La Mirada Drive, Vista, California, 92083, which general intangibles, include but are not limited to all the intellectual property included on the attached Schedule of Intellectual Property, to the extent that Chromium had rights therein.

The interest of the Borrower was lawfully and peacefully terminated through foreclosure under the provisions of the Uniform Commercial Code. Disposition was made pursuant to the terms of the attached Pledge and Security Agreement – All Assets, dated February 3, 1995 between Signs and Glassworks, Incorporated ("SGI") and The National Bank of Boston, as amended by the First Amendment to Pledge and Security Agreement – All Assets (Chromium Graphics), dated August 8, 1997; as further amended by the Second Amendment to Pledge and Security Agreement – All Assets (Chromium Graphics), dated May 17, 2001; Patent and Trademark Security Agreement, dated February 3, 1995 between SGI and First National Bank of Boston; (collectively "Security Agreements").

FLEET NATIONAL BANK

Virginia Dennett  
Signature  
Virginia Dennett  
Name  
Director  
Title

STATE OF MASSACHUSETTS )  
COUNTY OF Suffolk ) ss.

On this 20<sup>th</sup> day of November, 2001, before me, a notary public in and for said county, appeared Virginia Dennett of Fleet National Bank, the person who signed this instrument, who acknowledged that he signed it as a free act on behalf of said company with authority to do so.

Donald Ben  
Notary Public  
My Commission expires  
7.10.03

**AFFIDAVIT OF FORECLOSURE**

The undersigned officer of Wainwright Bank & Trust Company, on oath duly sworn, does depose and say that Wainwright Bank & Trust Company holds a security interest in all assets, including the entire body of general intangibles (as that term was defined in section 9-106 and is defined in section 9-102(a)(42) of the Uniform Commercial Code) owned by Chromium Graphics, a California Corporation, f/k/a Signs and Glassworks ("Borrower"), formerly having its headquarters at 2425 La Mirada Drive, Vista, California, 92083, which general intangibles, include but are not limited to all the intellectual property included on the attached Schedule of Intellectual Property, to the extent that Chromium had rights therein.

The interest of the Borrower was lawfully and peacefully terminated through foreclosure under the provisions of the Uniform Commercial Code. Disposition was made pursuant to the terms of the attached Pledge and Security Agreement – All Assets, dated February 3, 1995 between Signs and Glassworks, Incorporated ("SGI") and The National Bank of Boston, as amended by the First Amendment to Pledge and Security Agreement – All Assets (Chromium Graphics), dated August 8, 1997; as further amended by the Second Amendment to Pledge and Security Agreement – All Assets (Chromium Graphics), dated May 17, 2001.

WAINWRIGHT BANK & TRUST COMPANY

Steven J. Tromp  
Signature  
STEVEN J. TROMP  
Name  
SVP  
Title

STATE OF MASSACHUSETTS )  
COUNTY OF Suffolk ) ss.

On this \_\_\_\_\_ day of \_\_\_\_\_, 2001, before me, a notary public in and for said county, appeared Steven J. Tromp of Wainwright Bank & Trust Company, the person who signed this instrument, who acknowledged that he signed it as a free act on behalf of said company with authority to do so.

Joseph J. Costa  
Notary Public  
My Commission Expires on 6-25-02

PLEDGE AND SECURITY AGREEMENT - ALL ASSETS

(Signs and Glassworks, Incorporated)

THIS PLEDGE AND SECURITY AGREEMENT - ALL ASSETS is entered into as of February 3, 1995 by and between Signs and Glassworks, Incorporated, a California corporation ("Borrower") and The National Bank of Boston, a national banking association ("Secured Party").

WHEREAS, Borrower and Secured Party are parties to a Revolving Credit Agreement dated as of the date hereof (as it may be amended, supplemented or otherwise modified, the "Credit Agreement"), pursuant to which Secured Party may from time to time, as provided therein, make loans and otherwise extend credit to Borrower; and

WHEREAS, Secured Party's willingness to make such loans and credit available to Borrower is subject to the condition, among others, that Borrower executes and delivers this Security Agreement;

NOW, THEREFORE, in consideration of these premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Borrower hereby agrees for the benefit of Secured Party, as follows:

1. Defined Terms. The following terms when used herein shall have the respective meanings set forth in this Section. Unless otherwise defined herein, capitalized terms set forth herein shall have such defined meanings as are in the Credit Agreement.

"Accounts" means all "accounts", as such term is defined in Section 9-106 of the UCC, now or hereafter owned by Borrower, and also means and includes any right of Borrower to payment for goods sold or leased or for services rendered that Borrower may now have or hereafter acquire, whether or not such right has been earned by performance, including, without limitation, all accounts, account receivable, book debts, instruments and chattel paper, leases, notes, drafts, acceptances, payments under leases of Inventory or Equipment or sale of Inventory or Equipment and other forms of obligations now or hereafter received by or belonging or owing to Borrower for goods sold or leased and/or services rendered, all guaranties and security therefor, all goods giving rise thereto and all rights pertaining to such goods, including, without limitation, the rights of a seller under the UCC to reclaim such goods or stop them in transit, and all of Borrower's rights in, to and under all purchase orders, instruments and other documents now or hereafter delivered by or to it evidencing obligations for and representing payment for goods sold or leased and/or services rendered.



and all monies due or to become due to Borrower under all contracts for the sale or lease of goods and/or the performance of services, now in existence or hereafter arising, including, without limitation, the right to receive the Proceeds of such purchase orders and contracts.

"Collateral" means all of the Borrower's tangible and intangible personal property and fixtures, now owned or hereafter acquired, including, without limitation, (a) all Accounts, Instruments and Documents, and General Intangibles in which Borrower now or hereafter has any right, title or interest, including, without limitation, (i) all moneys, residues and property of any kind due and to become due under any contract or in any depository account, (ii) any damages arising out of or for breach or default in respect of any such Accounts, Instruments and Documents, or General Intangibles, and (iii) all other amounts from time to time paid or payable under or in connection therewith; (b) all Equipment now owned or hereafter acquired; (c) all Inventory now owned or hereafter acquired; (d) all farm products as that term is defined in §9-109(3) of the UCC; and (e) to the extent not otherwise included, all accessions to and additions to, substitutions for, and replacements, Proceeds and products of any and all of the foregoing.

"Encumbrance" means any mortgage, lease, conditional sales agreement, title retention agreement, security interest, Lien or other encumbrance.

"Equipment" means all "equipment", as such term is defined in Section 9-109(2) of the UCC, now or hereafter owned by Borrower, and also means and includes all personal property constituting machinery, equipment, plant, furnishings, fixtures, and other fixed assets now owned or hereafter acquired by Borrower, including, without limitation, all items of machinery and equipment of any kind, nature and description, as well as trucks and vehicles of every description, trailers, handling and delivery equipment and office furniture, and all additions to, substitutions for, replacements of or accessions to any of the foregoing items and all attachments, components, parts (including spare parts) and accessories, whether installed thereon or affixed thereto, and all fuel for any thereof.

"General Intangibles" means all "general intangibles", as such term is defined in Section 9-106 of the UCC, and all intangible personal property not included in Accounts, or in Instruments and Documents, now or hereafter owned or acquired by Borrower, and also means and includes all right, title and interest of Borrower now or hereafter owned or acquired in intellectual property, patents, patent applications, goodwill, trademarks, trademark applications, trade

names, service marks, copyrights, permits, licenses, federal, state, or local tax refunds, claims under insurance policies (whether or not Proceeds), other rights (if any) to payment, rights of set off, choses in action, rights under judgments, computer programs and software, customer lists, and all contracts and agreements to, or of which Borrower is a party or beneficiary, and all leasehold interests of Borrower in real estate to the extent considered personal property under applicable law.

"Instruments and Documents" means all "instruments," "documents," "deposit accounts," and "chattel paper," as defined in Section 9-105 of the UCC, all securities, and includes, without limitation, all warehouse receipts and other documents of title, policies and certificates of insurance, checking, savings, and other bank accounts, certificates of deposit, checks, notes and drafts, now or hereafter acquired, to the extent not included in Accounts.

"Inventory" means all "inventory", as such term is defined in Section 9-109(4) of the UCC, now owned or hereafter acquired by Borrower, and also means and includes all inventory, wherever located, now owned or hereafter acquired by Borrower, or in which Borrower now has or hereafter may acquire any right, title or interest, including, without limitation, all consigned goods and all goods and other personal property now or hereafter owned by Borrower that are held for sale or lease or are furnished or are to be furnished under a contract of service or that constitute raw materials, work in process or materials used or consumed or to be used or consumed in Borrower's business, or in the processing, packaging or shipping of the same, and all finished goods.

"Obligations" means (i) the prompt and complete payment when due of the unpaid principal of and accrued interest on the Loans, and (ii) the prompt and complete payment and performance when due of all other indebtedness, obligations and liabilities of Borrower to Secured Party, now existing or hereafter incurred, arising out of or in connection with the Credit Agreement, the Note, or any other Loan Documents, whether for principal, interest, fees, expenses or otherwise, and (iii) the prompt and complete payment and performance when due of all other indebtedness, obligations and liabilities of Borrower to Secured Party, whether now existing or hereafter arising, direct or indirect, absolute or contingent, secured or unsecured, matured or unmatured, joint or several, liquidated or unliquidated.

"Proceeds" has the meaning given such term under the UCC and, in any event, includes (but is not limited to) (a) any and all proceeds of any insurance, indemnity, warranty

or guaranty payable from time to time with respect to any of the Collateral, (b) any and all payments (in any form whatsoever) made or due and payable from time to time in connection with any requisition, confiscation, condemnation, seizure or forfeiture of all or any part of the Collateral by any governmental authority (or any Person acting under color of governmental authority), (c) whatever is received upon any collection, exchange, sale, lease or other disposition of any of the Collateral and any property into which any of the Collateral is converted, whether cash or non-cash proceeds, and (d) any and all other products of, or any rents, profits or other amounts from time to time paid or payable under, or in connection with, any of the Collateral.

"Security Agreement" or "Agreement" means this Pledge and Security Agreement - All Assets, as it may be amended, supplemented or otherwise modified, from time to time.

"UCC" means the Uniform Commercial Code as it may from time to time be in effect in the State of California, or any other applicable jurisdiction.

2. Grant of Security Interest. As collateral security for the prompt and complete payment and performance when due (whether at the stated maturity, by acceleration or otherwise) of all the Obligations and in order to induce Secured Party to enter into the Credit Agreement and make the Loans in accordance with the terms thereof, Borrower hereby sells, assigns, conveys, mortgages, pledges, hypothecates and transfers to Secured Party, and hereby grants to Secured Party a security interest in, all of Borrower's right, title and interest in, to and under the Collateral.

3. Representations and Warranties. The Borrower hereby represents and warrants to the Secured Party that:

(a) The execution, delivery and performance of this Agreement has been duly authorized by all necessary action, corporate or otherwise, and do not and will not (i) require any consent or approval of the stockholders of the Debtor, if any; (ii) contravene the terms of the charter, by-laws or other organizational papers of the Debtor; (iii) violate any applicable law, rule or regulation of any governmental agency; (iv) contravene any provision of any agreement, instrument, order or undertaking binding on the Debtor or by which any of its properties are bound or affected; (v) other than as contemplated hereby, result in or require the imposition of any Encumbrance on any of the properties of the Debtor; or (vi) other than filings required by the Uniform Commercial Code, require the approval or consent of, or filing or registration with, any governmental or other agency or authority, or any other party.

(b) The Debtor is, and in the case of property acquired after the date hereof, will be, the sole legal and equitable owner of the Collateral, holding good and marketable title to the same free and clear of all Encumbrances except for the security interests granted hereunder or permitted hereby, and has good right and legal authority to assign, deliver, and create a security interest in the Collateral in the manner herein contemplated. The Collateral is genuine and is what it is purported to be. The Collateral is not subject to any restriction that would prohibit or restrict the assignment, delivery or creation of the security interests contemplated hereunder.

(c) No security agreement, financing statement, equivalent security or Encumbrance, instrument or continuation statement covering all or any part of the Collateral is on file or of record in any public office, except such as may have been filed in favor of the Secured Party or is being released in connection with the making of the Loan.

(d) Except as disclosed to the Secured Party in writing, the amount represented by the Borrower to the Secured Party from time to time as owing by each account debtor will at such time be the correct amount actually and unconditionally owing by such account debtor(s) thereunder.

(e) The name of the Borrower set forth in the caption hereof is its correct corporate name, and the Borrower is not now doing business and has not during the last five (5) years done business under any other name. ✓

(f) All of the Collateral is located at the Borrower's address as set forth in the caption hereof.

(g) This Agreement, together with the filing of Uniform Commercial Code financing statements in the appropriate offices for the locations of Collateral listed in this Agreement, create a valid and continuing first lien on and perfected security interest in the Collateral (except for property located in the United States in which a security interest may not be perfected by filing under the Uniform Commercial Code), prior to all other Encumbrances, and is enforceable as such against creditors of the Debtor, any owner of the real property where any of the Collateral is located, any purchaser of such real property and any present or future creditor obtaining a lien on such real property. Other than as disclosed in the Credit Agreement, no financing statement under the Uniform Commercial Code of any state or other instrument evidencing a lien that names the Debtor as debtor is on file in any jurisdiction and the Debtor has not signed any such document or any agreement authorizing the filing of any such financing statement or instrument.

(h) The Debtor will not sell, grant, assign or transfer any interest in, or permit to exist any Encumbrance on, any of the Collateral other than in favor of the Secured Party or its affiliates, except for sales of Inventory or grants of licenses and other rights in the ordinary course of the Debtor's business for cash or on open account and on terms of payment ordinarily extended to its customers. The Debtor shall defend its title to and the Secured Party's interest in the Collateral against all claims and take any action necessary to remove any encumbrances other than those permitted hereunder and defend the right, title and interest of the Secured Party in and to any of the Debtor's rights in the Collateral.

(i) The Debtor will at all reasonable times allow the Secured Party to examine, inspect or make extracts from or copies of the Debtor's books and records, inspect the Collateral and arrange for verification of Accounts constituting Collateral directly with the Debtor's accountants, the account debtors or by other methods.

4. Covenants. The Borrower covenants and agrees that from and after the date of this Security Agreement and until the Obligations are fully satisfied:

(a) Location of Collateral. The Collateral will be kept only in California and the Borrower will not remove the Collateral from such jurisdiction without the prior written consent of the Secured Party.

(b) Further Documentation: Pledge of Instruments. At any time and from time to time, at its sole expense, the Borrower will, promptly upon request by the Secured Party, duly execute and deliver any and all such further instruments and documents and take such further action as Secured Party may reasonably deem desirable in obtaining the full benefits of this Security Agreement and of the rights and powers herein granted, including, without limitation, the filing of any financing or continuation statements under the UCC in effect in any jurisdiction with respect to the liens and security interests granted hereby. The Borrower also hereby authorizes the Secured Party to file any such financing or continuation statement without the signature of the Borrower or to file a photocopy of this Agreement as a financing statement to the extent permitted by applicable law. If any Collateral, or if any amount payable under or in connection with any of the Collateral, shall be or become evidenced by any negotiable document of title, or by any promissory note or other instrument, such document, note or instrument shall be immediately delivered to the Secured Party hereunder, duly endorsed in a manner satisfactory to the Secured Party.

(c) Limitation on Liens on Collateral. The Borrower will not create, permit or suffer to exist any Encumbrance

against the Collateral except the Encumbrance granted to the Secured Party herein or as otherwise permitted under the Credit Agreement.

(d) Limitations on Dispositions of Inventory and Equipment. The Borrower will not sell, transfer, lease or otherwise dispose of any of its interest in the Collateral or attempt, offer or contract to do so, except for the disposition in the ordinary course of business of Equipment that has become worn out or obsolete or is immaterial and unnecessary in Borrower's business operation and of Inventory. The Borrower will not transfer any Inventory on consignment, or attempt, offer or contract to do so.

(e) Notices Regarding Collateral. The Borrower will advise the Secured Party promptly, in reasonable detail, (i) of any lien or claim made or asserted against any of the Collateral, (ii) of any material change in the composition of the Collateral, (iii) of all material disputes, and the basis therefor, and (iv) of the occurrence of any other event that would have a material adverse effect on the Collateral taken as a whole or on the security interests created hereunder.

(f) Right of Inspection. The Borrower will permit the Secured Party and its representatives at all reasonable times to enter into and upon any premises where any of the Collateral is located for the purpose of inspecting the same, observing its use or otherwise protecting the Secured Party's interests therein.

(g) Indemnification. In any suit, proceeding or action brought by the Secured Party under any Accounts, Instruments and Documents, or any General Intangibles for any sum owing thereunder or to enforce any provision thereof, the Borrower will save, indemnify and keep the Secured Party harmless from and against all expense, loss or damage suffered by reason of any defense, setoff, counterclaim, recoupment or reduction or liability whatsoever of the obligee thereunder arising out of a breach by the Borrower of any agreement, indebtedness or liability at any time owing to or in favor of such obligee or its successors from the Borrower, and all such obligations of the Borrower shall be and remain enforceable against the Borrower and shall not be enforceable against the Secured Party.

(h) Maintenance of Records. The Borrower will keep and maintain, at Borrower's address as first written above and at its own cost and expense, satisfactory and complete records of the Collateral, including, without limitation, a record of all payments received and all credits granted with respect to the Collateral and all other dealings with the Collateral. The Borrower will mark its books and records pertaining to the Collateral to evidence this Security Agreement and the security interests granted hereby. For the Secured Party's further security,

The Borrower agrees that the Secured Party shall have a special property interest in all of its books and records pertaining to the Collateral (including, without limitation, customer lists, correspondence with present or future or prospective suppliers or customers, advertising materials, credit files, computer tapes, programs, printouts, and all other computer materials, records and electronic data processing software), and after demand the Borrower will deliver and turn over any such books and records to the Secured Party or to its representatives at any reasonable time on demand of the Secured Party. The Borrower may make copies of such books and records before its delivery to the Secured Party, provided that such copying does not unreasonably delay such delivery.

(i) Protect Rights of Secured Party. The Borrower will, upon the Secured Party's written request, defend the right, title and interest of the Secured Party in and to any of the Collateral against the claims and demands of all Persons whomsoever.

(j) Maintenance of Insurance. The Borrower will maintain with financially sound and reputable companies satisfactory to the Secured Party insurance policies (i) insuring the Inventory and Equipment against loss by fire, explosion, theft and such other casualties as are usually insured against by companies engaged in the same or similar businesses and (ii) insuring the Borrower and the Secured Party against liability for personal injury and property damage relating to the Inventory and Equipment, such policies to be in such form and in such amounts and coverage as may be reasonably satisfactory to the Secured Party, with losses payable, in the case of casualty policies, to the Borrower and the Secured Party as their respective interests may appear. All property, fire and casualty insurance policies with respect to the tangible collateral shall (i) provide that no cancellation, reduction in amount or change in coverage thereof shall be effective until at least thirty (30) days after receipt by the Secured Party of written notice thereof; (ii) waive any right of subrogation of the insurer against, or any right of set-off, counterclaim or any other deduction in respect of any liability of, the Secured Party to such insurer; and (iii) be otherwise satisfactory in all respects to the Secured Party; and Borrower shall promptly provide Secured Party copies of any notices to the Borrower of any default or other act or omission by the Borrower which might invalidate or render unenforceable, in whole or in part, such policy or result in the lapse thereof, in whole or in part. Each policy carried in accordance with this subsection (j) shall be primary without right of contribution from any other insurance policy which is carried by the Borrower to the extent that such other insurance policy provides the Borrower with contingent or excess liability insurance with respect to its interest in the insured property and shall expressly provide that all of the provisions thereof, except the

limits on liability, shall operate in the same manner as if there were a separate policy covering each insured. The Borrower shall, if so requested by the Secured Party, deliver to the Secured Party as often as the Secured Party may reasonably request a report of a reputable insurance broker with respect to the insurance on the tangible Collateral. All such insurance proceeds received by the Secured Party may be applied by the Secured Party in its discretion to the satisfaction of the Obligations or to repair or replace any Collateral which sustained the casualty, except as otherwise required by applicable law.

(k) Further Identification of Collateral. The Borrower will furnish to the Secured Party from time to time statements and schedules further identifying and describing the Collateral and such other reports in connection with the Collateral as the Secured Party may reasonably request, all in reasonable detail.

(l) Maintenance of Equipment. The Borrower will keep and maintain each item of Equipment in good operating condition, ordinary wear and tear excepted, and the Borrower will provide all maintenance and service and all repairs necessary for such purpose.

(m) Equipment Not to Become Fixtures. The Borrower will prevent, by all reasonable action or actions as may be necessary, any of the Equipment from becoming fixtures under the laws of the jurisdiction where such Equipment is located. The Borrower will, if requested by the Secured Party, for its principal office, use best efforts to obtain waivers or subordinations of lien, in form satisfactory to the Secured Party, from each lessor, and each mortgagee of lessor whose mortgage was executed prior to the lease from such lessor, of real property on which any of the Collateral is or may be located and will perform all other reasonable acts the Secured Party may request to maintain such Collateral apart from any realty.

(n) Assignment of Claims. If any of the Accounts arise out of contracts with the United States, or any state, or any department, agency or instrumentality of either, Borrower shall immediately so notify Secured Party and execute such instruments of assignment and take such other measures as may be required to assign such Accounts to Secured Party and provide proper notice thereof to the government under the Federal Assignment of Claims Act or any applicable state assignment of claims act.

(o) Further Assurances. The Borrower will promptly execute and deliver to the Secured Party such further deeds, mortgages, assignments, security agreements and other instruments, documents, certificates and assurances and take such further action as the Secured Party may from time to time in its



reasonable discretion deem necessary to perfect, protect or enforce the security interest of the Secured Party in the Collateral.

5. Secured Party's Appointment as Attorney-in-Fact.

(a) The Borrower hereby irrevocably constitutes and appoints the Secured Party and each officer or agent thereof, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of the Borrower and in the name of the Borrower or in its own name, from time to time, but only to be used after demand for the purpose of carrying out the terms of this Security Agreement, to take any and all appropriate action and to execute any and all documents and instruments that may be necessary or desirable to accomplish the purposes of this Security Agreement and, without limiting the generality of the foregoing, hereby gives the Secured Party the power and right, on behalf of the Borrower, without notice to or assent by the Borrower to do the following after the occurrence of an Event of Default:

(i) to ask, demand, collect, receive and give acquittances and receipts for any and all moneys due and to become due to Borrower under any Account, or otherwise, and, in the name of the Borrower or its own name or otherwise, to take possession of and endorse and collect any checks, drafts, notes, acceptances or other instruments for the payment of moneys due to Borrower and to file any claim or to take any other action or proceeding in any court of law or equity or otherwise deemed appropriate by the Secured Party for the purposes of collecting any and all such moneys due whenever payable;

(ii) to pay or discharge taxes or liens levied or placed on or threatened against the Collateral, to effect any repairs or any insurance called for by the terms of this Security Agreement and to pay all or any part of the premiums therefor and the costs thereof; and

(iii) (A) to direct any party liable for any payment to Borrower under any Account, or otherwise, to make payment of any and all moneys due and to become due thereunder directly to the Secured Party or as the Secured Party shall direct; (B) to receive payment of and receipt for any and all moneys, claims and other amounts due and to become due at any time in respect of or arising out of any Collateral; (C) to sign and endorse any invoices, freight or express bills, bills of lading, storage or warehouse receipts, drafts against debtors, assignments, verifications and notices in connection with Accounts and other documents relating to the Collateral; (D) to commence and prosecute any suits, actions or proceedings at law or in equity in any court of competent jurisdiction to collect the Collateral or any part thereof and to enforce any other right in respect of any

collateral; (E) to defend any suit, action or proceeding brought against the Borrower with respect to any Collateral; (F) to settle, compromise or adjust any suit, action or proceeding described above and, in connection therewith, to give such discharges or releases as the Secured Party may deem appropriate; (G) after demand, to notify the postal authorities to change the address for delivery of any mail of the Borrower to an address designated by the Secured Party, and to receive, open, and dispose of all mail addressed to the Borrower; and (H) after demand, otherwise to sell, transfer, pledge, make any agreement with respect to or otherwise deal with any of the Collateral as fully and completely as though the Secured Party were the absolute owner thereof for all purposes, and to do, at the Secured Party's option and the Borrower's expense, at any time or from time to time, all acts and things that the Secured Party deems necessary to protect, preserve or realize upon the Collateral and the Secured Party's security interests therein, in order to effect the intent of this Security Agreement, all as fully and effectively as the Borrower might do.

The Borrower hereby ratifies all that said attorneys shall lawfully do or cause to be done by virtue hereof. This power of attorney is a power coupled with an interest and shall be irrevocable.

(b) The powers conferred on the Secured Party hereunder are solely to protect the interests of the Secured Party in the Collateral and shall not impose any duty or obligation upon the Secured Party to exercise any such powers. The Secured Party shall be accountable only for amounts that it actually receives as a result of the exercise of such powers, and neither it nor any of its officers, directors, employees or agents shall be responsible to the Borrower for any act or failure to act, except for its own willful misconduct taken or omitted in bad faith.

6. Performance by Secured Party of the Borrower's Obligations. If the Borrower fails to perform or comply with any of its agreements contained herein and the Secured Party, as provided for by the terms of this Security Agreement, shall itself perform or comply, or otherwise cause performance or compliance, with such agreement, the reasonable costs and expenses of the Secured Party incurred in connection with such performance or compliance shall be paid by the Borrower on demand and until so paid shall be added to the principal amount of the Loan and shall bear interest (calculated on the basis of a 360-day year for the actual days elapsed) at the same rate as provided in the Loan Documents for overdue amounts.

7. Events of Default. The occurrence of any Event of Default under the Credit Agreement, including, without limitation, a default hereunder shall constitute an Event of Default hereunder. ✓

8. Remedies, Rights Upon Default. If an Event of Default occurs:

(a) (i) All payments received by the Borrower under or in connection with any of the Collateral shall be held by the Borrower in trust for the Secured Party, shall be segregated from other funds of the Borrower and shall forthwith upon receipt by the Borrower be turned over to the Secured Party, in the same form as received by the Borrower (duly endorsed by the Borrower to the Secured Party, if required).

(ii) Any and all such payments so received by the Secured Party (whether from the Borrower or otherwise) shall be held by the Secured Party as collateral security for, and then or at any time thereafter, may be applied in whole or in part for the benefit of the Secured Party against, all or any part of the Obligations in such order as the Secured Party, in its discretion, may determine.

(iii) The Secured Party shall have the right to seize and take possession of any Collateral (or any paper, documents, correspondence, computer tapes, programs, printouts and all other computer materials, records and electronic data processing software relating to the Collateral) and may enter the premises where they, or any of them, are located and occupy all or any portion of Debtor's premises without charge therefor for the purposes of effecting such seizure. The Secured Party shall not be liable to the Borrower for any damage suffered by the Borrower by reason of such entry or seizure unless it results from the Secured Party's willful misconduct committed in bad faith.

(iv) The Secured Party may hire and maintain at the Borrower's principal office premises a custodian or independent contractor selected by the Secured Party who shall have full authority to do all lawful acts necessary to protect the Secured Party's interests and to report to the Secured Party thereon. The Borrower hereby agrees to cooperate with any such Person and to do whatever the Secured Party may reasonably request to preserve the Collateral.

(b) The Secured Party may exercise, after the occurrence of an Event of Default, for the benefit of the Secured Party, in addition to all other rights and remedies granted in this Security Agreement and in any other instrument or agreement securing, evidencing or relating to the Obligations, all rights and remedies of a secured party under the UCC. Without limiting the generality of the foregoing, the Borrower expressly agrees that in any such event the Secured Party may, without demand of performance or other demand, advertisement or notice of any kind (except the notice specified below of time and place of public or private sale) to or on the Borrower or any other Person, all and each of which demands, advertisements and/or notices are (to the

extent permitted by applicable law) hereby expressly waived, forthwith collect, receive, appropriate and realize upon the Collateral, or any part thereof, forthwith take possession and operate or use the Collateral or any part thereof for the purpose of preserving it or its value, and/or forthwith sell, lease, assign, give option or options to purchase, or sell or otherwise dispose of and deliver the Collateral (or contract to do so), or any part thereof, in one or more parcels at public or private sale or sales, at any exchange or broker's board or at any of the Secured Party's offices or elsewhere, at such prices as it may deem appropriate, for cash or on credit or for future delivery without assumption of any credit risk. Secured Party shall have the right on any such public sale or sales and, to the extent permitted by law, on any such private sale or sales to purchase the whole or any part of said Collateral so sold, free of any right or equity of redemption in the Borrower, which right or equity is (to the extent permitted by applicable law) hereby expressly waived or released. The Borrower further agrees, at the Secured Party's request, to assemble the Collateral and make it available to the Secured Party at places that the Secured Party shall reasonably select, whether at the Borrower's premises or elsewhere. To the extent permitted by applicable law, the Borrower waives all claims, damages and demands against the Secured Party arising out of the repossession, retention, sale, or other disposition of the Collateral unless resulting from such Secured Party's willful misconduct committed in bad faith. The Borrower agrees that the Secured Party need not give more than ten (10) days' notice (which notification shall be deemed given when mailed) of the time and place of any public sale or of the time after which a private sale may take place and that such notice is reasonable notification of such matters. No notification need be given to the Borrower if it has signed, after demand, a statement renouncing or modifying any right to notification of sale or other intended disposition. The Borrower shall remain liable for any deficiency if the proceeds of any sale or disposition of the Collateral are insufficient to pay all amounts to which the Secured Party is entitled, the Borrower also being liable for the fees and expenses of any attorneys employed by Secured Party to collect such deficiency. The Secured Party shall have the right, in its sole discretion, to determine which rights, security, liens, guaranties or remedies the Secured Party shall retain, pursue, release, subordinate, modify, or enforce, without in any way modifying or affecting any of the other of them or any of its rights hereunder.

(c) To the extent that it may lawfully do so, the Borrower agrees that it will not at any time insist upon, plead or in any manner whatsoever claim or take the benefit or advantage of any appraisement, valuation, stay, extension or redemption laws, or any law permitting it to direct the order in which the Collateral or any part thereof shall be sold, now or at any time hereafter in force, which may delay, prevent or otherwise affect

the performance or enforcement of this Security Agreement or the Obligations and hereby expressly waives all benefit or advantage of any such laws and covenants that it will not hinder, delay or impede the execution of any power granted or delegated to the Secured Party in this Security Agreement, but will suffer and permit the execution of every such power as though no such laws were in force.

(d) To the extent not expressly provided for herein the Secured Party shall also have all of its rights and remedies under the Credit Agreement.

(e) Borrower shall be responsible for any and all reasonable expenses, including reasonable attorneys' fees and expenses, incurred or paid by Secured Party in protecting or enforcing any rights of Secured Party hereunder, including its right to take possession, store, operate, use and dispose of the Collateral or to collect the Proceeds thereof. Secured Party shall also have the right to pay all other sums deemed necessary or desirable by it for the preservation and protection of the Collateral, or for the realization thereupon, including taxes, insurance, salaries (directly related to the preservation or use of the Collateral or continued operation of the Borrower's businesses to that end), fees and costs. All such sums so paid by Secured Party shall be "Obligations" within the meaning of this Security Agreement, due upon demand.

(f) In the event that after demand, the Secured Party receives any monies in connection with the enforcement of any of the Security Documents, or otherwise with respect to the realization upon any of the Collateral, such monies shall be distributed for application as follows:

- (i) First, to the payment of, or (as the case may be) the reimbursement of the Secured Party for or in respect of all reasonable costs, expenses, disbursements and losses which shall have been incurred or sustained by the Secured Party in connection with the collection of such monies by the Secured Party, for the exercise, protection or enforcement by the Secured Party of all or any of the rights, remedies, powers and privileges of the Secured Party under this Agreement or any of the other Loan Documents or in respect of the Collateral or in support of any provision of adequate indemnity to the Secured Party against any taxes or liens which by law shall have, or may have, priority over the rights of the Secured Party to such monies;
- (ii) Second, to all other Obligations in such order or preference as the Secured Party may determine; and

provided further that the Secured Party may in its discretion make proper allowance to take into account any Obligations not then due and payable;

- (iii) Third, upon payment and satisfaction in full or other provisions for payment in full satisfactory to the Secured Party of all of the Obligations, to the payment of any obligations required to be paid pursuant to 9-504(1)(c) of the UCC; and
- (iv) Fourth, the excess, if any, shall be returned to the Borrower or to such other Persons as are entitled thereto.

9. Limitation on Secured Party's Duty in Respect to Collateral. Beyond the safe custody thereof, the Secured Party shall have no duty as to any Collateral in its possession or its nominee's or any income thereon or as to the preservation of rights against prior parties or any other rights pertaining thereto. In any suit, proceeding or action brought by Secured Party under any Accounts, Instruments and Documents, or any General Intangibles for any sum owing thereunder or to enforce any provision thereof, Borrower will save, indemnify and keep Secured Party harmless from and against all expense, loss or damage suffered by reason of any defense, setoff, counterclaim, recoupment or reduction or liability whatsoever of the obligee thereunder arising out of a breach by Borrower of any agreement, indebtedness or liability at any time owing to or in favor of such obligee or its successors from Borrower, and all such obligations of Borrower shall be and remain enforceable against Borrower and shall not be enforceable against Secured Party.

10. Setoff.

(a) In addition to any rights and remedies of Secured Party provided by law, Secured Party shall have the right, without prior notice to Borrower, any such notice being expressly waived by Borrower to the extent permitted by applicable law, and regardless of the adequacy of any collateral at any time after the occurrence of an Event of Default, to set off and apply against any indebtedness, whether matured or unmatured, of Borrower to Secured Party, any amount owing from Secured Party to Borrower, and such right of setoff may be exercised by Secured Party against Borrower or against any bankruptcy trustee, debtor-in-possession, assignee for the benefit of creditors, receiver, or execution, judgment or attachment creditor of Borrower, or against anyone else claiming through or against Borrower or such person.

(b) As security for the due payment and performance of all of Borrower's Obligations to Secured Party now in existence or hereafter arising, including, without limitation, Borrower's

obligations hereunder, under the Note and under the other Loan Documents, Borrower hereby grants to Secured Party a lien on any and all deposits or other sums at any time credited by or due from Secured Party and any affiliate of Secured Party to Borrower, whether in regular or special depository accounts or otherwise, and any and all moneys, securities and other property of Borrower, and the proceeds thereof, now or hereafter held or received by or in transit to Secured Party from or for Borrower, whether for safekeeping, custody, pledge, transmission, collection or otherwise, and any such deposits, sums, moneys, securities and other property, may at any time, after the occurrence of an Event of Default, be set off, appropriated and applied by Secured Party against any of such Obligations, whether or not any of the Obligations is then due or is secured by any other collateral, or, if it is so secured, whether or not the other collateral held by Secured Party is considered to be adequate.

11. Notices. Except as otherwise specified herein, all notices, requests, demands or other communications to or on the Borrower or the Secured Party shall be in writing and shall be given or made as provided in and subject to the provisions of the Credit Agreement.

12. Severability. The provisions of this Agreement are severable, and if any one clause or provision hereof shall be held invalid or unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or part thereof, in such jurisdiction, and shall not in any manner affect such clause or provision in any other jurisdiction, or any other clause or provision of this Agreement in any jurisdiction.

13. No Waiver; Cumulative Remedies. The Secured Party shall not by any act, delay, omission or otherwise be deemed to have waived any of its rights or remedies hereunder and no waiver shall be valid unless in writing, signed by the Secured Party and then only to the extent therein set forth. A waiver of any right or remedy hereunder on any one occasion shall not be construed as a bar to any right or remedy that the Secured Party would otherwise have had on any future occasion. No failure to exercise nor any delay in exercising, on the part of any Secured Party, any right, power or privilege hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or future exercise thereof or the exercise or any other right, power or privilege. The rights and remedies hereunder provided are cumulative, may be exercised singly or concurrently and are not exclusive of any rights and remedies under the other Loan Documents or available at law or in equity.

14. No Oral Modification; Successors; Governing Law. None of the terms or provisions of this Security Agreement may be

waived, altered, modified or amended except by an instrument in writing, duly executed by the Secured Party. This Security Agreement and all obligations of the Borrower hereunder shall be binding on the respective successors and assigns of the Borrower and shall, together with the rights and remedies of the Secured Party hereunder, inure to the benefit of the Secured Party and its respective successors and assigns; provided, however, that the foregoing shall not be deemed to modify the prohibitions on assignments or transfers by Borrower contained herein or in the Credit Agreement and other Loan Documents. This Security Agreement shall be governed by, and construed and interpreted in accordance with, the laws of the State of California and with respect to Collateral kept outside of California, if permitted by Secured Party, the laws of the jurisdiction where such Collateral is located. The Credit Agreement, the Note and other Loan Documents (except as otherwise specifically provided therein) shall be governed by Massachusetts state law as provided in the Credit Agreement.

15. Further Indemnification. The Borrower agrees to pay, and to save the Secured Party harmless from, any and all liabilities with respect to, or resulting from any delay in paying, or failure of Borrower to pay any wages or salaries or any excise, sales, payroll, unemployment or other taxes that may be payable or determined to be payable with respect to any of the Collateral or in connection with any of the transactions contemplated by this Security Agreement. This covenant shall survive the termination of this Security Agreement.

16. Counterparts. This Security Agreement may be executed in any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

17. Limits on Secured Party's Duties. The Secured Party shall have no duty as to the collection or protection of the Collateral, or any portion thereof, beyond the safe custody of such of the Collateral as may come into the actual possession of the Secured Party, and the Secured Party shall have no duty as to the preservation of rights against prior parties or any other rights pertaining thereto.

(END OF PAGE 17)



18. Descriptive Headings. The captions in this Security Agreement are for convenience of reference only and shall not define or limit the provisions hereof.

IN WITNESS WHEREOF, the parties have executed this Security Agreement as an instrument under seal as of the date first written above.

Witness:

SIGNS AND GLASSWORKS, INCORPORATED

        *Party*        

By:         *Daniel K. Doyle*          
Name: Daniel K. Doyle  
Title: Vice President

Witness:

THE FIRST NATIONAL BANK OF BOSTON

        *Party*        

By:         *Gregory G. O'Brien*          
Name: Gregory G. O'Brien  
Title: Director

FIRST AMENDMENT TO PLEDGE AND SECURITY AGREEMENT - ALL ASSETS  
(CHROMIUM GRAPHICS)

This First Amendment to Pledge and Security Agreement - All Assets (the or this "First Amendment") is entered into as of this 8 day of August, 1997 by and between Chromium Graphics f/k/a Signs and Glassworks, Incorporated, a California Corporation ("Borrower") and BankBoston, N.A., successor to the First National Bank of Boston ("Secured Party").

1. Background. Reference is made to a Pledge and Security Agreement - All Assets entered into as of February 3, 1995 by and between Borrower and Secured Party ("Original Security Agreement"). The Original Security Agreement was entered into in connection with a revolving line of credit, direct reducing loan ("Revolving Loan") in an amount of up to thirteen million dollars (\$13,000,000). Amounts outstanding under the Revolving Loan were evidenced by the Revolving Credit Note (the "Original Note") in the original principal amount of thirteen million dollars (\$13,000,000) dated as of February 3, 1995 and made by the Borrower in favor of the Secured Party.

The Revolving Loan was increased to fourteen million dollars (\$14,000,000) on February     , 1997.

Simultaneous with the execution of this First Amendment, the Borrower and Secured Party are amending the Revolving Loan (i) to change such arrangement from a revolving committed facility with a direct principal reduction to a demand discretionary line of credit and (ii) to increase the amount of the line by two million five hundred thousand dollars (\$2,500,000.00) to an amount of up to sixteen million five hundred thousand dollars (\$16,500,000.00). Under such demand discretionary line of credit, advances will be made only in the sole and absolute discretion of the Secured Party.

Capitalized terms used in this First Amendment and not defined herein, shall have the meanings given such term in the Original Security Agreement. This First Amendment, together with the Original Security Agreement and such other amendments, modifications, supplements or replacements as may be made from time to time, is referred to as the "Security Agreement".

2. Amendment to First Paragraph of Security Agreement. The first paragraph of the Security Agreement is hereby amended (i) to insert before the clause "Signs and Glassworks, Incorporated" the clause "Chromium Graphics, f/k/a" and (ii) the clause "The National Bank of Boston" is hereby deleted and the following inserted in lieu thereof: "BankBoston, N.A., successor to The First National Bank of Boston."

3. The second WHEREAS clause is hereby deleted.

4. Amendment to Section 2. Section 2. is hereby amended to delete the following parenthetical "(whether at the stated maturity, by acceleration or otherwise)."

5. Amendment to Section 3. Section 3.(e) is hereby amended to delete the sentence therein contained and insert the following in lieu thereof: "the name of the Borrower set forth in the caption hereof, is its correct corporate name, and the Borrower is not now doing business and has not during the last five (5) years done business under any other name except Signs and Glassworks, Incorporated or Krome Productions."

6. Amendment to Section 5. Section 5. is hereby amended by deleting the following clause from Section 5.(a) which is the last clause of such section: "after the occurrence of an Event of Default".

7. Amendment to Section 8.

- A. Section 8. is hereby amended to delete the clause "if an Event of Default occurs" and to insert the following in lieu thereof: "following DEMAND."
- B. Section 8.(b) is hereby amended to delete the clause "after the occurrence of an Event of Default."

8. Amendment to Section 10.

- A. Section 10(a) is hereby amended to delete the clause "after the occurrence of an Event of Default."
- B. Section 10(b) is hereby amended to delete the clause "after the occurrence of an Event of Default."

9. Representations and Warranties. All of the representations and warranties contained in the Original Security Agreement are hereby confirmed and they are true, accurate and complete in all material respects on the date hereof.

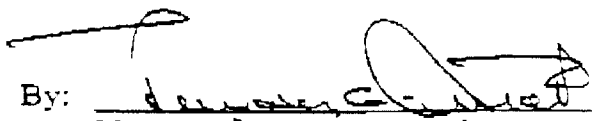
10. Ratification. The Original Security Agreement as amended by this First Amendment shall otherwise remain unaltered, ratified, confirmed and in full force and effect.

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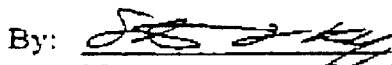
[SIGNATURE PAGE FOR FIRST AMENDMENT...]

IN WITNESS WHEREOF the parties hereto have caused this First Amendment to be executed under seal by their respective, duly authorized officers as of the date first above written.

BANKBOSTON, N.A.

By:   
Name: Timothy G. Cloward  
Title: Vice President

CHROMIUM GRAPHICS

By:   
Name: Steven E. Kliff  
Title: President and C.E.O.

Final Version

**SECOND AMENDMENT  
TO  
PLEDGE AND SECURITY AGREEMENT - ALL ASSETS  
(CHROMIUM GRAPHICS)**

This SECOND AMENDMENT (this "Second Amendment") dated as of May 17, 2001 is entered into by and among CHROMIUM GRAPHICS f/k/a SIGNS AND GLASSWORKS, INCORPORATED, a California corporation (the "Borrower"), FLEET NATIONAL BANK as successor to BANKBOSTON, N.A. as successor to THE FIRST NATIONAL BANK OF BOSTON, N.A. ("Fleer"), WAINWRIGHT BANK & TRUST COMPANY ("Wainwright") and Ark CLO 2000-1, Limited, a Cayman Islands exempt company (the "Senior Lender" or "Ark CLO").

**BACKGROUND**

This Second Amendment amends and modifies the Pledge and Security Agreement - All Assets dated as of February 3, 1995 (the "Pledge Agreement") between the Borrower and the First National Bank of Boston, N.A., as amended by the First Amendment to the Pledge Agreement dated August 8, 1997 between the Borrower and BankBoston, N.A. as successor to the First National Bank of Boston, N.A. (together with the Pledge Agreement, the "Original Pledge Agreement").

Reference is made to an Amended and Restated Demand, Discretionary Line of Credit Agreement (the "Restated Credit Agreement") dated as of August 8, 1997 entered into by and between the Borrower and the Bank, as amended by a First Amendment to Amended and Restated Demand, Discretionary Line of Credit Agreement (the "First Amendment") dated as of August 8, 1997, as amended by a Second Amendment to Amended and Restated Demand, Discretionary Line of Credit Agreement (the "Second Amendment"), as amended by a Third Amendment to Amended and Restated Demand, Discretionary Line of Credit Agreement (the "Third Amendment") dated as of May 7, 1999, as amended by a Fourth Amendment to Amended and Restated Demand, Discretionary Line of Credit Agreement (the "Fourth Amendment") dated as of June 16, 1998, as amended by a Fifth Amendment to Amended and Restated Demand, Discretionary Line of Credit Agreement (the "Fifth Amendment") dated as of February 22, 1999, as amended by a Sixth Amendment to Amended and Restated Demand, Discretionary Line of Credit Agreement (the "Sixth Amendment") dated as of September 3, 1999, and as further amended by a Seventh Amendment to Amended and Restated Demand, Discretionary Line of Credit Agreement (the "Seventh Amendment") dated as of the date hereof.

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The Restated Credit Agreement, as amended by the First Amendment, as amended by the Second Amendment, as amended by the Third Amendment, as amended by the Fourth Amendment, as amended by the Fifth Amendment, as amended by the Sixth Amendment, and as amended by the Seventh Amendment and as may be further amended, modified, supplemented or recast, from time to time, is referred to as the "Credit Agreement". Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement.

The Senior Lender is willing to make an additional discretionary demand revolving loan of Senior Debt as defined hereafter in the Credit Agreement in an amount up to \$750,000.00 under the Credit Agreement, provided that, among other things, such Senior Debt is secured by all of the Collateral and has priority of payment to all Existing Debt.

The Existing Lenders and the Borrower seek to induce the Senior Lender to make the Senior Debt available to the Borrower.

#### AGREEMENT

In consideration of the premises and the agreements, provisions and covenants contained herein and in the Credit Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

Section 1. Amendments to Section 1 of the Pledge Agreement. Section 1 of the Pledge Agreement is hereby amended as necessary so that the term "Bank" and "Secured Party" as used therein shall be understood to mean Lender or Lenders or Senior Lender. The parties hereto acknowledge and agree that prior to this Second Amendment the Pledge Agreement was not drafted for more than one Lender and now shall be interpreted in the broadest manner to effectuate the intent of the parties for the Pledge Agreement to be interpreted to accommodate multiple Lenders.

Section 2. Amendments to Section 2 of the Pledge Agreement. Section 2 of the Pledge Agreement is hereby amended to add the following as the last sentence of Section 2:

"The Borrower and Transferor Lender agree that the Transferor Lender shall hold the security interest granted pursuant to the Loan Documents in trust for the benefit of itself and the other Lenders (including the Senior Lender) and with respect to the Collateral the Transferor Lender shall take action or refrain from action in accordance with 100% of the Commitment Percentage of the Lenders. Each Existing Lender agrees that it will take action or refrain from taking action only in accordance with the Loan Documents.

Section 3. Amendments to Section 8(f) of the Pledge Agreement. Sections 8(f)(i) through 8(f)(v) of the Pledge Agreement are hereby amended and restated in their entirety to read as follows:

"(i) First, to the payment of, or (as the case may be) the reimbursement of the Secured Party for or in respect of all reasonable out of pocket costs, expenses, disbursements and losses which shall have been incurred or sustained by the Secured Party in connection with the collection of such monies by the Secured Party, for the exercise, protection or enforcement by the Secured Party of all or any of the rights, remedies, powers and privileges of the Secured Party under this Agreement or any of the other Loan Documents or in respect of the Collateral or in support of any provision of adequate indemnity to the Secured Party against any taxes or liens which by law shall have, or may have, priority over the rights of the Secured Party to such monies;

(ii) Second, to the payment of the Senior Loans and all Obligations pertaining thereto, in such order or preference as the Senior Lender may determine; and provided further that the Secured Party may in its discretion make proper allowance to take into account any Senior Loans or any Obligations pertaining thereto not then due and payable;

(iii) Third, to all other Obligations proportionally to all Lenders and such funds shall be applied first to all such costs, fees and other expenses not otherwise reimbursed under (i) above, second to accrued but unpaid interest and third to the outstanding principal amount of Existing Loans; and provided further that the Secured Party may in its discretion make proper allowance to take into account any Obligations not then due and payable;

(iv) Fourth, upon payment and satisfaction in full or other provisions for payment in full satisfactory to the Secured Party of all of the Obligations, to the payment of any obligations required to be paid pursuant to 9-504(1)(c) of the UCC; and

(v) Fifth, the excess, if any, shall be returned to the Borrower or to such other Persons as are entitled thereto."

Section 4. Representations and Warranties. All of the representations and warranties contained in the Pledge Agreement are hereby confirmed and they are true, accurate and complete in all material respects on the date hereof.

Section 5. Ratification. The Pledge Agreement as amended by this Second Amendment shall otherwise remain unaltered, ratified, confirmed and in full force and effect.

Section 6. Further Assurances. Each party, for themselves and for their respective successors and assigns, hereby covenant to execute and deliver, in each case at the Borrower's

expense, such further instruments and to take such further action as a Secured Party may at any time or times or from time to time reasonably request in order to carry out the provisions and intent of this Amendment.

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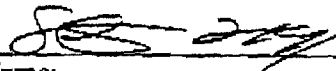
4



IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed and delivered as of the date first written above.

**BORROWER:**

**CHROMIUM GRAPHICS f/k/a SIGNS AND GLASSWORKS, INCORPORATED**

By:   
Name:  
Title:

**SENIOR LENDER:**

**ARK CLO 2000-1, LIMITED**

By: Patriarch Partners, LLC, its Collateral Manager

By: \_\_\_\_\_  
Name:  
Title:

**LENDERS:**

**FLEET NATIONAL BANK as successor to BANKBOSTON, N.A. as successor to THE FIRST NATIONAL BANK, N.A.**

By: \_\_\_\_\_  
Name:  
Title:

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed and delivered as of the date first written above.

**BORROWER:**


**CHROMIUM GRAPHICS f/k/a SIGNS AND GLASSWORKS, INCORPORATED**

By: \_\_\_\_\_  
Name:  
Title:

**SENIOR LENDER:**

**ARK CLO 2000-1, LIMITED**

By: Patriarch Partners, LLC, its Collateral Manager

By:  \_\_\_\_\_  
Name:  
Title:

**LENDERS:**

**FLEET NATIONAL BANK as successor to BANKBOSTON, N.A. as successor to THE FIRST NATIONAL BANK, N.A.**

By: \_\_\_\_\_  
Name:  
Title:

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed and delivered as of the date first written above.

BORROWER:

CHROMIUM GRAPHICS f/k/a SIGNS AND GLASSWORKS, INCORPORATED

By: \_\_\_\_\_  
Name:  
Title:

SENIOR LENDER:

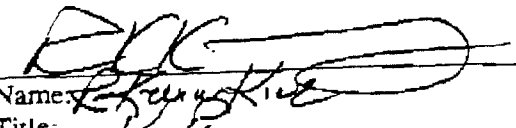
ARK CLO 2000-1, LIMITED

By: Patriarch Partners, LLC, its Collateral Manager

By: \_\_\_\_\_  
Name:  
Title:

LENDERS:

FLEET NATIONAL BANK as successor to BANKBOSTON, N.A. as successor to THE FIRST NATIONAL BANK, N.A.

By:   
Name:  
Title:

WAINWRIGHT BANK & TRUST COMPANY

By: Steven S. Riemer  
Name: Steven S. Riemer  
Title: SVP

ARK CLO 2000-1, LIMITED

By: Patriarch Partners, LLC, its Collateral Manager


By: \_\_\_\_\_  
Name:  
Title

WAINWRIGHT BANK & TRUST COMPANY

By: \_\_\_\_\_  
Name:  
Title:

ARK CLO 2000-1, LIMITED

By: Patriarch Partners, LLC, its Collateral Manager

By:  \_\_\_\_\_  
Name:  
Title



UNITED STATES DEPARTMENT OF COMMERCE  
 Patent and Trademark Office  
 ASSISTANT SECRETARY AND COMMISSIONER  
 OF PATENTS AND TRADEMARKS  
 Washington, D.C. 20231

FEBRUARY 02, 1998

PTAS



\*100592894A\*

KIRKPATRICK & LOCKHART, LLP  
 SEAN T. GEARY, ESQ.  
 ONE INTERNATIONAL PLACE  
 BOSTON, MASSACHUSETTS 02110

UNITED STATES PATENT AND TRADEMARK OFFICE  
 NOTICE OF RECORDATION OF ASSIGNMENT DOCUMENT

THE ENCLOSED DOCUMENT HAS BEEN RECORDED BY THE ASSIGNMENT DIVISION OF THE U.S. PATENT AND TRADEMARK OFFICE. A COMPLETE MICROFILM COPY IS AVAILABLE AT THE ASSIGNMENT SEARCH ROOM ON THE REEL AND FRAME NUMBER REFERENCED BELOW.

PLEASE REVIEW ALL INFORMATION CONTAINED ON THIS NOTICE. THE INFORMATION CONTAINED ON THIS RECORDATION NOTICE REFLECTS THE DATA PRESENT IN THE PATENT AND TRADEMARK ASSIGNMENT SYSTEM. IF YOU SHOULD FIND ANY ERRORS OR HAVE QUESTIONS CONCERNING THIS NOTICE, YOU MAY CONTACT THE EMPLOYEE WHOSE NAME APPEARS ON THIS NOTICE AT 703-308-9723. PLEASE SEND REQUEST FOR CORRECTION TO: U.S. PATENT AND TRADEMARK OFFICE, ASSIGNMENT DIVISION, BOX ASSIGNMENTS, NORTH TOWER BUILDING, SUITE 10C35, WASHINGTON, D.C. 20231.

RECORDATION DATE: 12/08/1997

REEL/FRAME: 8842/0461  
NUMBER OF PAGES: 4

BRIEF: SECURITY AGREEMENT

ASSIGNOR:  
 CHROMIUM GRAPHICS, FORMERLY KNOWN  
 AS SIGNS AND GLASSWORKS,  
 INCORPORATED

DOC DATE: 08/08/1997

ASSIGNEE:  
 BANKBOSTON, N.A., SUCCESSOR TO FIRST NATIONAL BANK OF BOSTON  
 100 FEDERAL STREET  
 BOSTON, MASSACHUSETTS 02110

SERIAL NUMBER: 08159735  
 PATENT NUMBER: 5407711

FILING DATE: 11/30/1993  
 ISSUE DATE: 04/18/1995

SERIAL NUMBER: 08311766  
 PATENT NUMBER: 5635283

FILING DATE: 09/23/1994  
 ISSUE DATE: 06/03/1997

8842/0461 PAGE 2

RHONDA HAWKINS, SUPERVISOR  
ASSIGNMENT DIVISION  
OFFICE OF PUBLIC RECORDS

FORM PTO-1585 (Rev. 6-93)

12-18-1997

CMB No. 0651-0011 (Rev. 4/94)



R SHEET

U.S. DEPARTMENT OF COMMERCE Patent and Trademark Office

DEC 08 1997

Tab settings

To the Honorable Commissioner of Patents and Trademarks, U.S. Patent and Trademark Office, Washington, DC 20503

is attached original documents or copy thereof.

1. Name of conveying party(ies): Chromium Graphics, formerly known as Signs and Glassworks, Incorporated

2. Name and address of receiving party(ies) Name: BankBoston, N.A., successor to First National Bank of Boston

3. Nature of conveyance: [X] Security Agreement [ ] Merger [ ] Change of Name [ ] Other

Street Address: 100 Federal Street City: Boston State: MA ZIP: 02110

Execution Date: August 8, 1997

Additional name(s) & address(es) attached? [ ] Yes [X] No

4. Application number(s) or patent number(s): If this document is being filed together with a new application, the execution date of the application is:

A. Patent Application No.(s)

B. Patent No.(s) 5,407,711 5,635,283

Additional numbers attached? [ ] Yes [ ] No

5. Name and address of party to whom correspondence concerning document should be mailed: Name: Sean T. Geary, Esq. Internal Address: Street Address: Kirkpatrick & Lockhart, LLP One International Place City: Boston State: MA ZIP: 02110

6. Total number of applications and patents involved: 2

7. Total fee (37 CFR 3.41).....\$ 80.00 [X] Enclosed [ ] Authorized to be charged to deposit account

8. Deposit account number: (Attach duplicate copy of this page if paid 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.

Sean T. Geary Name of Person Signing

Signature

12/5/97 Date

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

All documents to be recorded with required cover sheet information to: Commissioner of Patents & Trademarks, Box Assignments

12/17/97 TOL/LL 01 PC/MT



FIRST AMENDMENT TO PATENT AND TRADEMARK SECURITY AGREEMENT  
(CHROMIUM GRAPHICS)

This First Amendment to Patent and Trademark Security Agreement (the or this "First Amendment") is entered into as of this 8 day of August, 1997 by and between Chromium Graphics f/k/a Signs and Glassworks, Incorporated, a California Corporation ("Borrower") and BankBoston, N.A., successor to the First National Bank of Boston ("Secured Party").

1. Background. Reference is made to a Patent and Trademark Security Agreement entered into as of February 3, 1995 by and between Borrower and Secured Party ("Original Security Agreement"). The Original Security Agreement was entered into in connection with a revolving line of credit, direct reducing loan ("Revolving Loan"). Amounts outstanding under the Revolving Loan were evidenced by the Revolving Credit Note (the "Original Note") dated February 3, 1995 and made by the Borrower in favor of the Secured Party.

The Revolving Loan was increased by documents dated October 31, 1995 and is further being increased on the date hereof.

Simultaneous with the execution of this First Amendment, the Borrower and Secured Party are amending the Revolving Loan (i) to change such arrangement from a revolving committed facility with a direct principal reduction to a demand discretionary line of credit and (ii) to increase the amount of the line. Under such demand discretionary line of credit, advances will be made only in the sole and absolute discretion of the Secured Party.

Capitalized terms used in this First Amendment and not defined herein, shall have the meanings given such term in the Original Security Agreement. This First Amendment, together with the Original Security Agreement and such other amendments, modifications, supplements or replacements as may be made from time to time, is referred to as the "Security Agreement".

1. Amendment to First Paragraph of Security Agreement. The first paragraph of the Security Agreement is hereby amended (i) to insert before the clause "Signs and Glassworks, Incorporated" the clause "Chromium Graphics, f/k/a" and (ii) the clause "The National Bank of Boston" is hereby deleted and the following inserted in lieu thereof: "BankBoston, N.A., successor to The First National Bank of Boston."

2. Amendment to Section 5. Section 5. is hereby deleted and the following Section 5. is inserted in lieu thereof:

"5. Right to Sue. Following DEMAND, Grantor shall not have the right to bring any opposition proceedings, cancellation proceedings or lawsuits in its own name to enforce or protect any Patent/Trademark Collateral."

3. Amendment to Section 6. Section 8. is hereby amended to delete the clause "If an Event of Default shall have occurred and be continuing" and to insert the following in lieu thereof: "Following DEMAND".

4. Amendments to Schedule 1. Schedule 1 is hereby amended to add the following U.S Patents to the list of Registered Patents included in Schedule 1:

"5,407,711	Display with Enhanced Highlights	4/18/95
5,635,283	Trading Card with Iridescent Substrate	6/3/97"

5. Representations and Warranties. All of the representations and warranties contained in the Original Security Agreement are hereby confirmed and they are true, accurate and complete in all material respects on the date hereof.

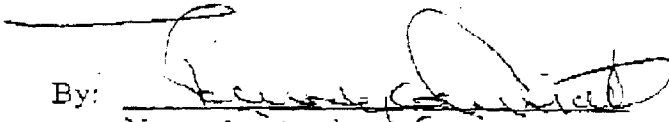
6. Ratification. The Original Security Agreement as amended by this First Amendment shall otherwise remain unaltered, ratified, confirmed and in full force and effect.

[END OF PAGE]

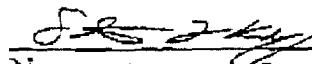
[SIGNATURE PAGE FOR FIRST AMENDMENT...]

IN WITNESS WHEREOF the parties hereto have caused this First Amendment to be executed under seal by their respective, duly authorized officers as of the date first above written.

BANKBOSTON, N.A.

By:   
Name: Timothy G. Curran  
Title: Vice President

CHROMIUM GRAPHICS

By:   
Name: Steven L. Kliff  
Title: President and C.E.O.

## PATENT AND TRADEMARK SECURITY AGREEMENT

THIS PATENT AND TRADEMARK SECURITY AGREEMENT ("this Agreement") entered into as of February 3, 1995 by and among SIGNS AND GLASSWORKS, INCORPORATED, a California corporation, with a business address of 2425 La Mirada Drive, Vista, California 92083 (together with its successors and assigns, the "Grantor"), and THE FIRST NATIONAL BANK OF BOSTON, a national banking association, with a business address of 100 Federal Street, Boston, Massachusetts 02110 (together with its successors and assigns "Grantee").

RECITALS

A. Grantor owns the patents listed on Schedule 1 annexed hereto and the trademark and trademark registrations listed on Schedule 2 annexed hereto.

B. Grantor and Grantee are parties to a Revolving Credit Agreement and a Pledge and Security Agreement - All Assets, both of even date herewith (such agreements, as each may be amended, supplemented or otherwise modified and in effect from time to time in accordance with their terms, being collectively referred to herein as the "Credit Agreement"), providing for extensions of credit to be made to Grantor by the Grantee under and as defined in the Credit Agreement. Capitalized terms used herein without definition have the meanings ascribed to them in the Credit Agreement (that is, in either the Revolving Credit Agreement or the Pledge and Security Agreement - All Assets).

C. Pursuant to the terms of the Credit Agreement, Grantor has granted to Grantee a security interest in substantially all of the assets of Grantor, including, without limitation, all right, title and interest of Grantor in, to and under all now owned and hereafter acquired patterns, patents application, patent licenses, trademarks, trademark registrations, trademark applications and trademark licenses, and all products and proceeds thereof, to secure Grantor's performance and discharge of the Obligations. The Credit Agreement requires, as a condition to the Grantee's obligations to extend credit thereunder, the execution and delivery of this Agreement in order to further secure Grantor's performance and discharge of the Obligations.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

AGREEMENT

1. Grant of Security Interest. In order to secure the due and punctual payment and performance of each and all of the Obligations, Grantor does hereby grant, transfer, convey and assign to Grantee a continuing security interest in all of Grantor's right, title and interest in, to and under the follow-

ing (all of the following items or types of property being herein collectively referred to as the "Patent/Trademark Collateral"), whether presently existing or hereafter created or acquired:

a. each patent, including, without limitation, each patent referred to in Schedule 1 annexed hereto (the "Patents"), together with any reissues, continuation or extensions thereof;

b. all products and proceeds of the foregoing, including, without limitation, all license royalties and any claim by Grantor against third parties for past, present or future infringement of any patent, including, without limitation, any patent referred to in Schedule 1 annexed hereto;

c. each trademark (which term shall include service marks) and trademark registration, including, without limitation, each trademark and trademark registration referred to in Schedule 2 annexed hereto the ("Trademarks"), together with any renewals thereof, and all of the goodwill of the business connected with the use of, and symbolized by, each trademark and trademark registration;

d. all products and proceeds of the foregoing, including, without limitation, any claim by Grantor against third parties for past, present or future (a) infringement or dilution of any trademark or trademark registration, including, without limitation, the trademarks and trademark registration referred to in Schedule 2 annexed hereto, or (b) injury to the goodwill associated with any trademark or trademark registration; and

e. all Accounts, Inventory, Equipment, Intellectual Property, Proceeds, general intangibles and other Collateral related to the foregoing.

2. Representations, Warranties and Agreements. Grantor represents and warrants that:

a. the Patents and Trademarks are subsisting and have not been adjudged invalid or unenforceable, in whole or in part;

b. no written claim (and, to the best of Grantor's knowledge, no oral claim) has been made that the use of any of the Patents or Trademarks does or may violate the rights of any third person;

c. Grantor is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to each of the Patents and each of the Trademarks, free and clear of any pledges, assignments, licenses, registered user agreements, covenants by assignor not to sue third person and any other Liens or Encumbrances;

d. Grantor has the unqualified right to enter into this Agreement and perform its terms; and

e. all of Grantor's patents are listed on Schedule 1 annexed hereto, and all of Grantor's registered trademarks are listed on Schedule 2 annexed hereto.

3. Future Rights. So long as any Obligations remain outstanding or the Grantee has any obligation to make any Loans, if at any time Grantor shall (i) obtain rights to any new patentable inventions, trademarks, trademark registrations or application, or (ii) become entitled to the benefit of any patent or trademark application, trademark, trademark registration, or patent for any reissue, division, continuation, renewal, extension, or continuation-in-part of any patent or any improvement on any patent, then the provisions of this Agreement shall automatically apply thereto and Grantor shall give to the Grantee prompt written notice thereof. Grantor hereby authorizes the Grantee, with prompt notice thereof to the Grantor, to modify this Agreement by amending Schedule 1 and/or 2, as applicable, to include any future patents, patent applications, trademarks, trademark applications, or trademark registration, which constitute Patent/Trademark Collateral under this Agreement.

4. No Inconsistent Agreement. So long as any Obligations remain outstanding or the Grantee has any obligation to make any Loans, Grantor shall not enter into any agreement (for example, a license agreement) that is inconsistent with Grantor's obligations under this Agreement; provided, however, that Grantor may grant licenses of the Patents and Trademarks and of any future Patent/Trademark Collateral for limited purposes in the course of Grantor's normal and ordinary business activities which do not, taken together with the value of the consideration received therefor, materially impair the value of the Patent/Trademark Collateral.

5. Right to Sue. Unless and until an Event of Default shall have occurred and be continuing, Grantor shall have the right to bring any opposition proceedings, cancellation proceedings or lawsuits in its own name to enforce or protect any Patent/Trademark Collateral.

6. Appointment. If an Event of Default shall have occurred and be continuing, Grantor hereby authorizes and empowers the Grantee to make, constitute and appoint any officer or agent of the Grantee as the Grantee may select, in its discretion, as Grantor's true and lawful attorney-in-fact, with the power to endorse Grantor's name on all applications, assignments, documents, papers and instrument necessary for the Grantee to use the Patent/Trademark Collateral, or necessary for the Grantee to assign, pledge, convey, or otherwise transfer title in or dispose of all or part of the Patent/Trademark Collateral to anyone else. Such power of attorney shall be coupled with an interest and irrevocable for the life of this Agreement.

7. Cumulative Rights and Remedies. The security interest under this Agreement is granted in conjunction with the security interest granted to Grantee pursuant to the Credit Agreement and

is subject to the provisions thereof. Grantor hereby acknowledges and affirms that the rights and remedies of Grantee with respect to the security interest in the Patent/Trademark Collateral are and shall be, to the full extent permitted by law, as set forth in the Credit Agreement and the other Loan Documents, the terms and provisions of which are incorporated by reference herein as if fully set forth herein. All of the Grantee's rights and remedies with respect to the Patent/Trademark Collateral, whether established hereunder or by the Credit Agreement or by any other Loan Documents or by law or in equity shall be cumulative and may be exercised singularly or concurrently.

8. Express Incorporation of Miscellaneous Provisions From Pledge and Security Agreement - All Assets. In addition to the foregoing general incorporation by reference of all applicable provisions of the Credit Agreement and the other Loan Documents, Grantor hereby expressly incorporates each and all of the provisions of Sections 11-18 of the Pledge and Security Agreement - All Assets, but made applicable to this Agreement by substituting the word "Grantor" for "Borrower", "Grantee" for "Secured Party", and "this Agreement" for "this Security Agreement."

IN WITNESS WHEREOF, Grantor has caused this Patent and Trademark Security Agreement to be duly executed by its duly authorized signatory as a sealed instrument as of the date and year first set forth above.

SIGNS AND GLASSWORKS, INCORPORATED

By: *Daniel K. Doyle*  
Name: Daniel K. Doyle  
Title: Vice President  
Hereunto Duly Authorized

THE FIRST NATIONAL BANK OF BOSTON

By: *Gregory G. O'Brien*  
Name: Gregory G. O'Brien  
Title: Director

(SEE NEXT PAGE FOR NOTARY ACKNOWLEDGEMENTS)

State of Massachusetts

County of Suffolk

February 6, 1995

Then personally appeared the above-named Daniel K. Doyle, Vice President of Signs and Glassworks, Incorporated, as aforesaid and acknowledged the foregoing instrument to be his free act and deed in said capacity and the free act and deed of said corporation, before me.

Carlito C. Beauchamp  
Notary Public

My Commission Expires: May 15, 1999

State of Massachusetts

County of Suffolk

February 6, 1995

Then personally appeared the above-named Gregory G. O'Brien, Director of The First National Bank of Boston, as aforesaid and acknowledged the foregoing instrument to be his free act and deed in said capacity and the free act and deed of said The First National Bank of Boston, before me.

Carlito C. Beauchamp  
Notary Public

My Commission Expires: May 15, 1999



Schedule 1 to Patent and Trademark Security AgreementU.S. PATENTS

<u>Patents</u>		<u>Date Issued or filed</u>
<u>Registered Patents</u>		
4,793,635	Radiopaque Graphics	12/27/88
4,933,218	Sign with Transparent Substrate	06/12/90
5,082,703	Sign with Transparent Substrate	01/21/92
5,106,126	Process Printed Image with Reflective Coating	04/21/92
5,222,315	Picture Display Frame	06/29/93
5,223,357	Promotional Display Signage and Method of Manufacture	06/29/93
5,323,551	Picture Frame	06/28/94
<u>Patent Applications</u>		
08/159,671	Neon Sign	11/30/93
08/159,735	Display with Enhanced Highlights	11/30/93
08/219,368	Trading Card Protector	03/29/94
08/310,278	Frame with Picture Holder	09/24/94
08/305,173	Animation Cell Trading Card	09/13/94
08/311,766	Trading Card with Iridescent Substrate	09/23/94

Schedule 2 to Patent and Trademark Security AgreementTRADEMARK REGISTRATIONS

<u>Trademarks</u>		<u>Date Issued or Filed</u>
<i>Registered Trademarks</i>		
1,605,577	"ACRYL-ETCH"	07/10/90
1,828,878	"CHROMIUM"	03/29/94
1,863,204	"THE ORIGINAL KROME KAP"	11/15/95
<i>Trademark Applications</i>		
74/540,739	"HOLOCHROME" (Class 16)	06/21/94
74/541,529	"CHROMIUM" (Class 25)	06/21/94
74/541,532	"HOLOCHROME" (Class 25)	06/21/94
74/541,537	"CHROMIUM" (Class 16)	06/21/94
74/541,538	"KROME" (Class 25)	06/21/94
74/542,175	"KROME" (Class 16)	06/21/94
74/579,426	"CLEAR CHROME"	09/28/94
74/580,498	"SKINS"	09/30/94
74/580,499	"SKIN PROTECTOR"	09/30/94