

02-26-2002



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Form PTO-1594 (Rev. 03/01) OMB No. 0651-0027 (exp. 5/31/2002) Tab settings

U.S. DEPARTMENT OF COMMERCE U.S. Patent and Trademark Office

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

1. Name of conveying party(ies): PSC Computer Products, Inc. 1.29.02 [ ] Individual(s) [ ] Association [ ] General Partnership [ ] Limited Partnership [x] Corporation-State California [ ] Other Additional name(s) of conveying party(ies) attached? [ ] Yes [x] No

2. Name and address of receiving party(ies) BFI Business Finance Name: Internal Address: Street Address: 1655 The Alameda City: San Jose State: CA Zip: 95126 [ ] Individual(s) citizenship [ ] Association [ ] General Partnership [ ] Limited Partnership [x] Corporation-State California [ ] Other If assignee is not domiciled in the United States, a domestic representative designation is attached: [ ] Yes [x] No (Designations must be a separate document from assignment) Additional name(s) & address(es) attached? [ ] Yes [x] No

3. Nature of conveyance: [ ] Assignment [ ] Merger [x] Security Agreement [ ] Change of Name [ ] Other Execution Date: November 12, 2001

4. Application number(s) or registration number(s): A. Trademark Application No.(s) 75/822,643, 75/822,644 B. Trademark Registration No.(s) Additional number(s) attached [ ] Yes [x] No

5. Name and address of party to whom correspondence concerning document should be mailed: Name: Jill M. Pietrini, Esq. Internal Address: Manatt, Phelps & Phillips, LLP Street Address: 11355 W. Olympic Blvd. City: Los Angeles State: CA Zip: 90064

6. Total number of applications and registrations involved: 2 7. Total fee (37 CFR 3.41) \$ 65.00 [ ] Enclosed [x] Authorized to be charged to deposit account 8. Deposit account number: DA 131 241 (Attach duplicate copy of this page if paying by deposit account)

DO NOT USE THIS SPACE

9. Statement and signature. To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document. Jill M. Pietrini Name of Person Signing [Signature] Signature 1-28-02 Date

02/25/2002 BYRNE 00000202 131241 75822643

Total number of pages including cover sheet, attachments, and document: 10

Mail documents to be recorded with required cover sheet information to: Commissioner of Patent & Trademarks, Box Assignments Washington, D.C. 20231

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

TRADEMARK REEL: 002449 FRAME: 0255

# INTELLECTUAL PROPERTY SECURITY AGREEMENT

This Intellectual Property Security Agreement (this "Agreement") is made as of this **12th** day of **November, 2001** by and between **PSC Computer Products, Inc.**, a California corporation ("Pledgor") and **BFI Business Finance** ("Pledgee"), a California corporation.

## RECITALS

A. Secured Party has agreed to lend to Pledgor certain funds (the "Loan"), and Pledgor desires to borrow such funds from Secured Party and will be secured in part pursuant to the terms of a Security Agreement dated **November 12, 2001** (the "Loan Agreement").

B. In order to induce Secured Party to make the Loan, Pledgor has agreed to assign certain intangible property to Secured Party for purposes of securing the obligations of Pledgor to Secured Party.

NOW, THEREFORE, THE PARTIES HERETO AGREE AS FOLLOWS:

1. Assignment, Patent Mortgage and Grant of Security Interest. As collateral security for the prompt and complete payment and performance of all of Pledgor's present or future indebtedness, obligation and liabilities to Secured Party, Pledgor hereby assigns, transfers, conveys and grants a mortgage to Secured Party, as security, Pledgor's entire right, title and interest in, to and under the following (all of which shall collectively be called the "Collateral"):

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

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

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

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

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

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

(g) All licenses or other rights to use any of the Copyrights, Patents or Trademarks, and all license fees and royalties arising from such use; and



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

THE INTEREST IN THE COLLATERAL BEING ASSIGNED HEREUNDER SHALL NOT BE CONSTRUED AS A CURRENT ASSIGNMENT, BUT AS A CONTINGENT ASSIGNMENT TO SECURE PLEDGOR'S OBLIGATIONS TO SECURED PARTY UNDER THE NOTE AND SECURITY AGREEMENT.

2. Authorization and Request. Pledgor authorizes and requests that the Register of Copyrights and the Commissioner of Patents and Trademarks record this conditional assignment.

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

(a) Pledgor is now the sole owner of the Collateral, except for non-exclusive licenses granted by Pledgor to its customers in the ordinary course of business and except for liens, encumbrances or security interests described in **Exhibit D** attached hereto;

(b) Performance of this Agreement does not conflict with or result in a breach of any agreement to which Pledgor is party or by which Pledgor is bound;

(c) During the term of this Agreement, Pledgor will not transfer or otherwise encumber any interest in the Collateral, except for non-exclusive licenses granted by Pledgor;

(d) Each of the Patents is valid and enforceable, and no part of the Collateral has been judged invalid or unenforceable, in whole or in part, and no claim has been made that any part of the Collateral violates the rights of any third party;

(e) Pledgor shall promptly advise Secured Party of any material change in the composition of the Collateral, including but not limited to any subsequent ownership right of the Pledgor in or to any Trademark, Patent or Copyright not specified in this Agreement;

(f) Pledgor shall (i) protect, defend and maintain the validity and enforceability of the Trademarks, Patents and Copyrights, (ii) use its best efforts to detect infringements of the Trademarks, Patents and Copyrights and promptly advise Secured Party in writing of material infringements detected and (iii) not allow any Trademarks, Patents or Copyrights to be abandoned, forfeited or dedicated to the public without the written consent of Secured Party, which shall not be unreasonably withheld;

(g) Pledgor shall promptly register the most recent version of any of Pledgor's copyrights, if not so already registered, and shall, from time to time, execute and file such other instruments, and take such further actions as Secured Party may request from time to time to perfect or continue the perfection of Secured Party's interest in the Collateral;

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

(i) Except for, and upon, the filing with the United States Patent and Trademark office with respect to the Patents necessary to perfect the security interests and assignment created hereunder, and, except as has been already made or obtained, no authorization, approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required either (i) for the grant by Pledgor of the security interest granted hereby or for the execution, delivery or performance of



this Agreement or by Pledgor or (ii) for the perfection in the United States or the exercise by Secured Party of its rights and remedies hereunder;

(j) All information heretofore, herein or hereafter supplied to Secured Party by or on behalf of Pledgor with respect to the Collateral is accurate and complete in all material respects;

(k) Pledgor shall not enter into any agreement that would materially impair or conflict with Pledgor's obligations hereunder without Secured Party's prior written consent. Pledgor shall not permit the inclusion in any contract to which it becomes a party of any provisions that could or might in any way impair or prevent the creation of a security interest in Pledgor's rights and interests in any property included within the definition of the Collateral acquired under such contracts; and

(l) Upon any officer of Pledgor obtaining knowledge thereof, Pledgor will promptly notify Secured Party in writing of any event that materially adversely affects the value of any of the Collateral, the ability of Pledgor or Secured Party to dispose of any of the Collateral or the rights and remedies of Secured Party in relation thereto, including the levy of any legal process against any of the Collateral.

4. Secured Party's Rights. Secured Party shall have the right, but not the obligation, to take, at Pledgor's sole expense, any actions that Pledgor is required under this Agreement to take but which Pledgor fails to take, after five (5 days' telephonic or written notice to Pledgor. Pledgor shall reimburse and indemnify Secured Party for all costs and expenses incurred in the reasonable exercise of its rights under this section 4.

5. Inspection Rights. Pledgor hereby grants to Secured Party and its employees, representatives and agents the right to visit, during reasonable hours upon prior reasonable notice to Pledgor, and any of Pledgor's and its subcontractors' plants and facilities that manufacture, install or store products (or that have done so during the prior six-month period) that are sold under any of the Collateral, and to inspect the products and quality control records relating thereto upon reasonable notice to Pledgor and as often as may be reasonably requested; provided, however, nothing herein shall entitle Secured Party to access to Pledgor's trade secrets and other proprietary information.

6. Further Assurances; Attorney in Fact.

(a) On a continuing basis, Pledgor will, subject to any prior licenses, encumbrances and restrictions and prospective licenses, make, execute, acknowledge and deliver, and file and record in the proper filing and recording places in the United States, all such instruments, including, appropriate financing and continuation statements and collateral agreements and filings with the United States Patent and Trademark Office, and take all such action as may reasonably be deemed necessary or advisable, or as requested by Secured Party to carry out the intent and purposes of this Collateral Assignment, or for assuring and confirming to Secured Party the grant or perfection of a security interest in all Patents.

(b) Pledgor hereby irrevocably appoints Secured Party as Pledgor's attorney-in-fact, with full authority in the place and stead of Pledgor and in the name of Pledgor, Secured Party or otherwise, from time to time in Secured Party's discretion, to take any action and to execute any instrument which Secured Party may deem necessary or advisable to accomplish the purposes of this Collateral Assignment, including:

(i) To modify in its sole discretion this Collateral Assignment without first obtaining Pledgor's approval of or signature to such modification by amending Exhibit A, Exhibit B and Exhibit C thereof, to include reference to any right title or interest in any copyright, patents, or trademarks acquired by Pledgor after the execution hereof or to delete any reference to any right, title, interest in any copyrights, patents, or trademarks in which Pledgor no longer has or claims any right, title or interest; and,



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

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

- (a) An Event of Default occurs under the Loan Agreement or any other agreement;
- or
- (b) Pledgor breaches any warranty or agreement made by Pledgor in this Agreement.

8. Remedies. Upon the occurrence of an Event of Default, Secured Party shall have the right to exercise all the remedies of a secured party under the California Uniform Commercial Code, including without limitation the right to require Pledgor to assemble the Collateral and to make it available to Secured Party at a place designated by Secured Party. Pledgor will pay any expenses (including attorneys' fees) incurred by Secured Party in connection with the exercise of any of Secured Party's rights hereunder, including without limitation any expense incurred in disposing of the Collateral. All of Secured Party's rights and remedies with respect to the Collateral shall be cumulative.

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

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

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

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

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

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

15. California Law and Jurisdiction. This Agreement shall be governed by the laws of the State of California, without regard for choice of law provisions. Pledgor and Secured Party consent to the non-exclusive jurisdiction of any state or federal court located in Santa Clara County, California.



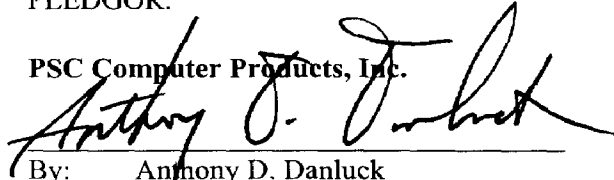
IN WITNESS WHEREOF, the parties hereto have executed this Intellectual Property Security Agreement on the day and year first above written.

Address of Pledgor:

101 Bernoulli Circle  
Oxnard, California 93030

PLEDGOR:

PSC Computer Products, Inc.



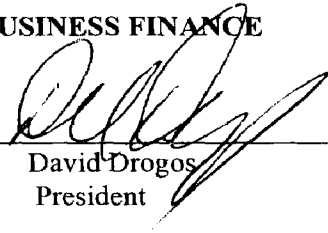
By: Anthony D. Danluck  
Its: President

Address of Secured Party:

1655 The Alameda  
San Jose, CA 95126

SECURED PARTY:

BFI BUSINESS FINANCE



By: David Drogos  
Its: President

**Exhibit "A"**

**Copyrights**

N/A

Exhibit "B"

**Patents**

Country	Number	Grant Date	Title
US	5,600,540 (s/n 08/441,274)	02/04/97	"Heat Sink and Retainer for Electronic Integrated Circuits"
US	5,671,118 (Continuation s/n 08/693,029)	09/23/97	"Heat Sink and Retainer for Electronic Integrated Circuits"
US	6,061,239 (s/n 08/896,296)	05/09/00	"Cam-Type Retainer Clip for Heat Sinks for Electronic Integrated Circuit"
US	6,199,625 (s/n 09/330,946)	03/13/01	"Stackable Heat Sink for Electronic Components"
US	09/395,308	Pending (Notice of Allowance)	"Slotted Rail Heat Sink Retainer Clip"
US	09/366,153	Pending	"Stackable Heat Sink for Electronic Components"
Taiwan	s/n 88111579 (Priority USSN 09/330/946)	Pending	"Stackable Heat Sink for Electronic Components"
Taiwan	s/n 88113330 Priority USSNN for Electronic Components" 09/330,946 (6/11/99) and USSN (8/3/99)		"Improved Stackable Heat Sink



**Exhibit "C"**

**Trademarks**

Country	Number	Grant Date	Title
US	s/n 75/822,643	Pending	PSC Select
US	s/n 75/822,644	Pending	PSC
Taiwan	s/n 89011276	Pending	PSC Select
Taiwan	s/n 89011278	Pending	PSC
Taiwan	s/n 89011277	Pending	Tower Fin

**Exhibit "D"**

**(list any exceptions to liens, encumbrances or security interests)**

N/A