

04-24-2002



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Document ID No.: 101926709

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

RECORDATION FORM COVER SHEET TRADEMARKS ONLY

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):

2.27.02

Motorola, Inc.

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

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

3. Nature of conveyance:

- Assignment Merger Security Agreement Change of Name Other

Execution Date: 11/29/01

2. Name and address of receiving party(ies)

Name: Paradise IV, Inc. Internal Address:

Street Address: 14 Sunshine Avenue

City: Sausalito State: CA Zip: 94965

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

If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No (Designations must be a separate document from assignment) Additional name(s) & address(es) attached? Yes No

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

A. Trademark Application No.(s) 75/539,197 and 75/980,406

B. Trademark Registration No.(s)

Additional number(s) attached Yes No

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

Name: Gibson, Dunn & Crutcher, LLP

Internal Address: Denis Curran

Street Address: 1530 Page Mill Road

City: Palo Alto State: CA Zip: 94304

6. Total number of applications and registrations involved: 2

7. Total fee (37 CFR 3.41) \$ Amount Due

- Enclosed Authorized to be charged to deposit account

8. Deposit account number:

50-0440

DO NOT USE THIS SPACE

9. Signature.

Denis Curran Name of Person Signing

Signature Date

Total number of pages including cover sheet, attachments, and document: 23

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

ATTACHMENT TO RECORDATION COVER SHEET

1. Name of conveying parties:

Emerging Alliance Fund, L.P., a Limited Partnership

VM Labs, Inc., a Corporation - State

2-28-2001
 101926709

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): 12-11-01
 Motorola, Inc.; Emerging Alliance Fund, L.P.;
 VM Labs, Inc.
 Individual(s) Association
 General Partnership Limited Partnership
 Corporation-State
 Other _____
 Additional name(s) of conveying party(ies) attached? Yes No

2. Name and address of receiving party(ies)
 Name: Paradise IV, Inc.
 Internal Address: _____
 Street Address: 14 Sunshine Avenue
 City: Sausalito State: CA Zip: 94965
 Individual(s) citizenship _____
 Association _____
 General Partnership _____
 Limited Partnership _____
 Corporation-State Delaware
 Other _____
 If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No
 (Designations must be a separate document from assignment)
 Additional name(s) & address(es) attached? Yes No

3. Nature of conveyance:
 Assignment Merger
 Security Agreement Change of Name
 Other _____
 Execution Date: 11/29/01

4. Application number(s) or registration number(s):
 A. Trademark Application No.(s) 75/539,197;
75/980,406
 B. Trademark Registration No.(s) _____
 Additional number(s) attached Yes No

6. Total number of applications and registrations involved: 2

5. Name and address of party to whom correspondence concerning document should be mailed:
 Name: Gibson, Dunn & Crutcher, LLP
 Internal Address: Denis Curran
 Street Address: 1530 Page Mill Road
 City: Palo Alto State: CA Zip: 94304

7. Total fee (37 CFR 3.41).....\$ Amount due
 Enclosed
 Authorized to be charged to deposit account

8. Deposit account number:
50-0440

DO NOT USE THIS SPACE

9. Signature.
Denis Curran Desmond Curran for Denis Curran 12/10/01
 Name of Person Signing Signature Date
 Total number of pages including cover sheet, attachments, and document: 20

12/27/2001 6TOM11 00000220 500440 75539197
 01 FC:481 40.00 CH
 02 FC:482 25.00 CH

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

TRADEMARK
REEL: 002489 FRAME: 0164

**AMENDMENT
TO
AMENDED AND RESTATED SECURITY AGREEMENT**

This Amendment to Amended and Restated Security Agreement, dated as of November 29, 2001 (this "Amendment"), is entered into by and among VM Labs, Inc., a California corporation (the "Company"), Paradise IV, Inc., a Delaware corporation ("Buyer") and Motorola, Inc., a Delaware corporation ("Motorola").

BACKGROUND

A. The Company, Motorola, Emerging Alliance Fund, L.P., a Cayman Islands exempted limited partnership ("Emerging Alliance"), and Buyer have entered into that certain Note and Warrant Purchase Agreement, of even date herewith (the "Purchase Agreement"), pursuant to which Buyer has agreed to purchase the Motorola Notes and EA Notes (as defined in the Purchase Agreement) from Motorola and Emerging Alliance, respectively, on the terms and subject to the conditions set forth in the Purchase Agreement. In connection with the Purchase Agreement, Buyer has also agreed to make additional loans (the "Supplemental Loans") to the Company, on the terms and subject to the conditions set forth in a Loan and Security Agreement of even date herewith (the "Loan Agreement").

B. It is required under the Purchase Agreement that Motorola assign all of Motorola's rights, duties and obligations under that certain Amended and Restated Security Agreement, dated as of August 17, 2000, as amended from time to time (as amended, the "Motorola Security Agreement") to Buyer.

C. In addition, the parties have also agreed to amend the Motorola Security Agreement so that any Supplemental Loans made pursuant to the Loan Agreement shall constitute additional loans under the Motorola Security Agreement, and shall be secured by the security interests granted thereunder.

D. Capitalized terms shall have the meanings set forth for such terms herein and, if not defined herein, shall have the meanings set forth in the Purchase Agreement.

AGREEMENT

In consideration of the mutual promises, covenants and conditions hereinafter set forth, the parties hereto agree as follows:

1. Assignment. Motorola hereby assigns to Buyer, and Buyer hereby accepts, all of Motorola's right, title and interest in and to the Motorola Security Agreement and the collateral subject thereto. From and after the date hereof, all references to Motorola in the Motorola Security Agreement shall be deemed to be a reference to Buyer.

2. Assignment of Ancillary Security Documents. Motorola hereby assigns to Buyer, and Buyer hereby accepts, all of Motorola's right title and interest in and to all documents relating

to Motorola's security interest, including without limitation the Motorola Financing Statement and the Intellectual Property Security Agreement, dated as of July 7, 2000, by and between the Company and Motorola (the "Motorola IP Security Agreement").

3. Supplemental Loans Secured. Effective as of the Closing, the Motorola Security Agreement is hereby amended to include the Supplemental Loans among the obligations of the Company that are secured by the Motorola Security Agreement and the Company hereby grants the Buyer a security interest in the Collateral, which security interest secures the Supplemental Loans. From and after the date hereof, any references to obligations, loans, notes or similar items that are secured by the Motorola Security Agreement shall be deemed and construed to include the Supplemental Loans, and the Collateral (as set forth in the Motorola Security Agreement) shall secure the Supplemental Loans to the same extent as the Motorola Notes.

4. Recordation. Each of Motorola and the Company authorizes and requests that the Registrar of Copyrights, the Commissioner of Patents and Trademarks and any other applicable government officer record this Amendment to reflect the assignment of the Motorola IP Security Agreement from Motorola to Buyer, and the transfer of security interest in and to any of the Collateral from Motorola to Buyer, including without limitation the security interest in and to the intellectual property set forth on Schedule 1 hereto.

5. Company Acknowledgement. In order to induce Buyer to enter into the Purchase Agreement and the Loan Agreement, the Company hereby consents to the assignment of the Motorola Security Agreement, the Motorola Financing Statement and the Motorola IP Security Agreement, and acknowledges and agrees that all rights and remedies thereunder shall inure to the benefit of Buyer, and that any Supplemental Loans shall be secured by the Collateral (as defined in the Motorola Security Agreement) to the same extent as the Motorola Notes.

6. Further Assurances. The Company, Buyer and Motorola hereby agree to do and perform, or cause to be done and performed, all such further acts and things, and shall execute and deliver all such other agreements, certificates, instruments and documents, as the other party may reasonably request in order to carry out the intent and accomplish the purposes of this Amendment and the consummation of the transactions contemplated hereby.

7. Governing Law. This Agreement shall be governed in all respects by the laws of the State of California without regard to provisions regarding choice of laws.

8. Successors and Assigns. Except as otherwise expressly provided herein, the provisions hereof shall inure to the benefit of, and be binding upon, the permitted successors, assigns, heirs, executors and administrators of the parties hereto whose rights or obligations hereunder are affected by such amendments. This Agreement and the rights and obligations therein may be assigned by Buyer without the consent of any of the other parties hereto. This Agreement and the rights and obligations therein may not be assigned by Motorola or the Company without the written consent of Buyer and any attempted assignment in violation hereof shall be void ab initio. Nothing contained herein, express or implied, is intended to confer any rights or remedies upon any person or entity other than the parties hereto and their permitted successors and assigns unless so stated herein to the contrary.

9. Counterparts. This Agreement may be executed by facsimile and in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument.

10. Purchase Agreement Prevails. If any of the terms and provisions hereof are inconsistent with the terms and provisions of the Purchase Agreement, the terms and provisions of the Purchase Agreement shall control.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the day and year herein above first written.

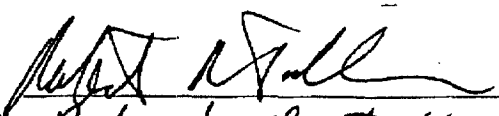
MOTOROLA:

MOTOROLA, INC.

By: _____
Name:
Title:

BUYER:

PARADISE IV, INC.

By: 
Name: Robert R. Tillman
Title: CFO

THE COMPANY:

VM LABS, INC.

By: _____
Name:
Title:

[Signature Page to Amendment to Amended and Restated Security Agreement]

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the day and year herein above first written.

MOTOROLA:

MOTOROLA, INC.

By: _____
Name:
Title:

BUYER:

PARADISE IV, INC.

By: _____
Name:
Title:

THE COMPANY:

VM LABS, INC.

By:  _____
Name: RICHARD MILLER
Title: CEO

[Signature Page to Amendment to Amended and Restated Security Agreement]

SCHEDULE 1**INTELLECTUAL PROPERTY****A. Patents and Patent Applications**

Description	Serial No.
Instruction Compression and Decompression System and Method for a Processor	U.S. Patent No. 5,819,058
A Media Processing System and Method	U.S. Patent App. No. 09 / 476,761
Method and Apparatus for Displaying Video	U.S. Patent App. No. 09 / 559,712
Method and Apparatus for Buffering Information Prior to Decoding	U.S. Patent App. No. 09 / 477,983
Multi-Component Processor	U.S. Patent App. No. 60 / 170,668
Subpicture Decoding Architecture and Method	U.S. Patent App. No. 09 / 476,698
Communications Bus for a Multi-Processor System	Filed – Awaiting Serial Number
Communications Protocol for Serial Peripheral Devices	Filed – Awaiting Serial Number
Digital Manipulation of Video in Digital Video Player	U.S. Patent App. No. 09 / 475,093
Digital Music Player Audio Buffering	U.S. Patent App. No. 09 / 477,686
DVD Reverse Playback Methods and Apparatus	Filed – Awaiting Serial Number
Method of Processing Data	U.S. Patent App. No. 60 / 170,607
Methods and Apparatus for Smooth Reverse Playback of MPEG Encoded Media	Filed – Awaiting Serial Number
Method and Apparatus for Processing Data with Semaphores	U.S. Patent App. No. 09 / 678,898
Method and Apparatus for Creating a Video Montage from Titles on a Digital Video Disk	Filed – Awaiting Serial Number

Method and Apparatus for Adding Audio Commentary and Visual Effects to a Digital Video Disk	U.S. Patent App. No. 60 / 259,911
A System and Method for Creating a Single Video Frame with One or More Interest Points	Filed – Awaiting Serial Number

B. Trademarks

Trademark	Serial No.
NUON	Ser. No. 75 / 539,197
NUON	Ser. No. 75 / 980,406

**AMENDMENT NO. 1
TO
SECURITY AGREEMENT**

This Amendment No. 1 to Security Agreement, dated as of November 29, 2001 (this "Amendment"), is entered into by and among VM Labs, Inc., a California corporation (the "Company"), Paradise IV, Inc., a Delaware corporation ("Buyer") and Emerging Alliance Fund, L.P., a Cayman Islands exempted limited partnership ("Emerging Alliance").

BACKGROUND

A. The Company, Motorola, Emerging Alliance Fund, L.P., a Cayman Islands exempted limited partnership ("Emerging Alliance"), and Buyer have entered into that certain Note and Warrant Purchase Agreement, of even date herewith (the "Purchase Agreement"), pursuant to which Buyer has agreed to purchase the Motorola Notes and EA Notes (as defined in the Purchase Agreement) from Motorola and Emerging Alliance, respectively, on the terms and subject to the conditions set forth in the Purchase Agreement. In connection with the Purchase Agreement, Buyer has also agreed to make additional loans (the "Supplemental Loans") to the Company, on the terms and subject to the conditions set forth in a Loan and Security Agreement of even date herewith (the "Loan Agreement").

B. It is required under the Purchase Agreement that Emerging Alliance assign all of Emerging Alliance's rights, duties and obligations under that certain Security Agreement, dated as of June 13, 2001 (the "EA Security Agreement") to Buyer.

C. In addition, the parties have also agreed to amend the EA Security Agreement so that any Supplemental Loans made pursuant to the Loan Agreement shall constitute additional loans under the EA Security Agreement, and shall be secured by the security interests granted thereunder.

D. Capitalized terms shall have the meanings set forth for such terms herein and, if not defined herein, shall have the meanings set forth in the Purchase Agreement.

AGREEMENT

In consideration of the mutual promises, covenants and conditions hereinafter set forth, the parties hereto agree as follows:

1. Assignment. Emerging Alliance hereby assigns to Buyer, and Buyer hereby accepts, all of Emerging Alliance's right, title and interest in and to the EA Security Agreement and the collateral subject thereto. From and after the date hereof, all references to Emerging Alliance in the EA Security Agreement shall be deemed to be a reference to Buyer.

2. Assignment of Ancillary Security Documents. Emerging Alliance hereby assigns to Buyer, and Buyer hereby accepts, all of Emerging Alliance's right title and interest in and to all documents relating to Emerging Alliance's security interest, including without limitation the EA

Financing Statement, the Intellectual Property Security Agreement, dated as of June 14, 2001, by and between the Company and Emerging Alliance (the "EA Intellectual Property Security Agreement") and any supplements to the EA Intellectual Property Security Agreement (any such supplements referred to collectively as the "EA Intellectual Property Security Agreement Supplement").

3. Supplemental Loans Secured. Effective as of the Closing, the EA Security Agreement is hereby amended to include the Supplemental Loans among the obligations of the Company that are secured by the EA Security Agreement and the Company hereby grants the Buyer a security interest in the Collateral, which security interest secures the Supplemental Loans. From and after the date hereof, any references to obligations, loans, notes or similar items that are secured by the EA Security Agreement shall be deemed and construed to include the Supplemental Loans, and the Collateral (as set forth in the EA Security Agreement) shall secure the Supplemental Loans to the same extent as the EA Notes.

4. Recordation. Each of Emerging Alliance and the Company authorizes and requests that the Registrar of Copyrights, the Commissioner of Patents and Trademarks and any other applicable government officer record this Amendment to reflect the assignment of the EA Intellectual Property Security Agreement from Emerging Alliance to Buyer, and the transfer of security interest in and to any of the Collateral from Emerging Alliance to Buyer, including without limitation the security interest in and to the intellectual property set forth on Schedule 1 hereto.

5. Company Acknowledgement. In order to induce Buyer to enter into the Purchase Agreement and the Loan Agreement, the Company hereby consents to the assignment of the EA Security Agreement, the EA Financing Statement, the EA Intellectual Property Security Agreement and the EA Intellectual Property Security Agreement Supplement, and acknowledges and agrees that all rights and remedies thereunder shall inure to the benefit of Buyer, and that any Supplemental Loans shall be secured by the Collateral (as defined in the EA Security Agreement) to the same extent as the EA Notes.

6. Further Assurances. The Company, Buyer and Emerging Alliance hereby agree to do and perform, or cause to be done and performed, all such further acts and things, and shall execute and deliver all such other agreements, certificates, instruments and documents, as the other party may reasonably request in order to carry out the intent and accomplish the purposes of this Amendment and the consummation of the transactions contemplated hereby.

7. Governing Law. This Agreement shall be governed in all respects by the laws of the State of California without regard to provisions regarding choice of laws.

8. Successors and Assigns. Except as otherwise expressly provided herein, the provisions hereof shall inure to the benefit of, and be binding upon, the permitted successors, assigns, heirs, executors and administrators of the parties hereto whose rights or obligations hereunder are affected by such amendments. This Agreement and the rights and obligations therein may be assigned by Buyer without the consent of any of the other parties hereto. This Agreement and the rights and obligations therein may not be assigned by Emerging Alliance or

the Company without the written consent of Buyer and any attempted assignment in violation hereof shall be void ab initio. Nothing contained herein, express or implied, is intended to confer any rights or remedies upon any person or entity other than the parties hereto and their permitted successors and assigns unless so stated herein to the contrary.

9. Counterparts. This Agreement may be executed by facsimile and in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument.

10. Purchase Agreement Prevails. If any of the terms and provisions hereof are inconsistent with the terms and provisions of the Purchase Agreement, the terms and provisions of the Purchase Agreement shall control.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the
day and year herein above first written.

EMERGING ALLIANCE:

EMERGING ALLIANCE FUND, L.P.

By: RC Norris
Name: RONALD C. NORRIS
Title: Managing Member VentureTech Alliance,
(General Partner of Emerging Alliance Fund, LLC
LP)

BUYER:

PARADISE IV, INC.

By: _____
Name:
Title:

THE COMPANY:

VM LABS, INC.

By: _____
Name:
Title:

[Signature Page to Amendment No. 1 to Security Agreement]

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the day and year herein above first written.

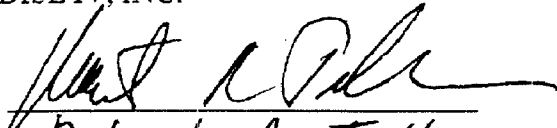
EMERGING ALLIANCE:

EMERGING ALLIANCE FUND, L.P.

By: _____
Name:
Title:

BUYER:

PARADISE IV, INC.

By: 
Name: Robert R. Tillman
Title: CFO

THE COMPANY:

VM LABS, INC.

By: _____
Name:
Title:

[Signature Page to Amendment No. 1 to Security Agreement]

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the day and year herein above first written.

EMERGING ALLIANCE:

EMERGING ALLIANCE FUND, L.P.

By: _____
Name:
Title:

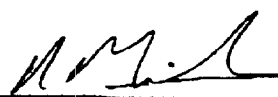
BUYER:

PARADISE IV, INC.

By: _____
Name:
Title:

THE COMPANY:

VM LABS, INC.

By: _____ 
Name: RICHARD MILLER
Title: CEO

[Signature Page to Amendment No. 1 to Security Agreement]

SCHEDULE 1**INTELLECTUAL PROPERTY****A. Patents and Patent Applications**

Description	Serial No.
Instruction Compression and Decompression System and Method for a Processor	U.S. Patent No. 5,819,058
A Media Processing System and Method	U.S. Patent App. No. 09 / 476,761
Method and Apparatus for Displaying Video	U.S. Patent App. No. 09 / 559,712
Method and Apparatus for Buffering Information Prior to Decoding	U.S. Patent App. No. 09 / 477,983
Multi-Component Processor	U.S. Patent App. No. 60 / 170,668
Subpicture Decoding Architecture and Method	U.S. Patent App. No. 09 / 476,698
Communications Bus for a Multi-Processor System	Filed – Awaiting Serial Number
Communications Protocol for Serial Peripheral Devices	Filed – Awaiting Serial Number
Digital Manipulation of Video in Digital Video Player	U.S. Patent App. No. 09 / 475,093
Digital Music Player Audio Buffering	U.S. Patent App. No. 09 / 477,686
DVD Reverse Playback Methods and Apparatus	Filed – Awaiting Serial Number
Method of Processing Data	U.S. Patent App. No. 60 / 170,607
Methods and Apparatus for Smooth Reverse Playback of MPEG Encoded Media	Filed – Awaiting Serial Number
Method and Apparatus for Processing Data with Semaphores	U.S. Patent App. No. 09 / 678,898
Method and Apparatus for Creating a Video Montage from Titles on a Digital Video Disk	Filed – Awaiting Serial Number

Method and Apparatus for Adding Audio Commentary and Visual Effects to a Digital Video Disk	U.S. Patent App. No. 60 / 259,911
A System and Method for Creating a Single Video Frame with One or More Interest Points	Filed – Awaiting Serial Number

B. Trademarks

Trademark	Serial No.
NUON	Ser. No. 75 / 539,197
NUON	Ser. No. 75 / 980,406

EXHIBIT C

MOTOROLA DOCUMENTS

Exhibit C-1:	First Motorola Note
Exhibit C-2:	Second Motorola Note
Exhibit C-3:	Third Motorola Note
Exhibit C-4:	Fourth Motorola Note
Exhibit C-5:	Motorola Notes Amendment
Exhibit C-6:	Motorola Security Agreement
Exhibit C-7:	Motorola IP Security Agreement

EXHIBIT D

EMERGING ALLIANCE DOCUMENTS

Exhibit D-1:	First EA Note
Exhibit D-2:	Second EA Note
Exhibit D-3:	Warrant
Exhibit D-4:	EA Security Agreement
Exhibit D-5:	EA Intellectual Property Security Agreement
Exhibit D-6:	EA Intellectual Property Security Agreement Supplement

Trademark	Serial No.
NUON	Ser. No. 75 / 539,197
NUON	Ser. No. 75 / 980,406