

10-08-2002

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

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

102244404

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

1. Name of conveying party(ies) Phoenix Scientific, Inc. [] Individual(s) [] General Partnership [x] Corporation Delaware [] Other FINANCE SECTION 10-3-02

2. Name and address of receiving party(ies) Name: Wells Fargo Bank, National Association, as Administrative Agent for Lenders Internal Address: Street Address: 337 South Grand Avenue City: Los Angeles State: CA Zip: 90071 [] Individual(s) citizenship [] Association [] General Partnership [] Limited Partnership [] Corporation-State [] Other

Additional name(s) of conveying party(ies) attached? [] Yes [x] No 1. Nature of conveyance: [] Assignment [] Merger [] Security Agreement [] Change of Name [] Corporation-State [x] Other: Grant of Trademark Security Interest Execution Date: October 2, 2002

4. Application number(s) or registration number(s): A. Trademark Application No.(s) 75/863,182 76/319,382 76/416,274 76/056,394 76/377,642 76/418,902 76/113,069 75/845,641 76/411,061 76/274,551 76/399,495 76/411,060 76/274,454 76/411,965

B. Trademark Registration No.(s) 863,824 1,979,814 1,814,665 941,285 2,452,723 1,836,537 991,093 2,465,509 991,094 2,496,209 991,098 2,513,101 Additional number(s) attached [] Yes [x] No

5. Name and address of party to whom correspondence concerning document should be mailed: Name: Matthew Bensen, Esq. Internal Address: Street Address: O'MELVENY & MYERS LLP 400 South Hope Street City: Los Angeles State: CA Zip: 90071-2899

6. Total number of applications and registrations involved: 26 7. Total fee (37 CFR 3.41) \$ 665.00 [x] Enclosed [] Authorized to be charged to deposit account 8. Deposit account number: (Attach duplicate copy of this page if paying by deposit account)

DO NOT USE THIS SPACE

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. Matthew Bensen, Esq. Signature Date October 2, 2002

Total number of pages including cover sheet, attachments, and document: 6

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

10/07/2002 AMHED1 00000149 75863182

01 FC:481 02 FC:482

40.00 OP 625.00 OP

LA1:983834.1

TRADEMARK REEL: 002594 FRAME: 0291

GRANT OF TRADEMARK SECURITY INTEREST

WHEREAS, Phoenix Scientific, Inc., a Delaware corporation ("**Grantor**"), owns and uses in its business, and will in the future adopt and so use, various intangible assets, including the Trademark Collateral (as defined below); and

WHEREAS, Grantor has entered into a Credit Agreement dated as of October 2, 2002 (said Credit Agreement, as it may heretofore have been and as it may hereafter be amended, supplemented, restated or otherwise modified from time to time, being the "**Credit Agreement**") with the financial institutions named therein (collectively, together with their respective successors and assigns party to the Credit Agreement from time to time, the "**Lenders**") and Wells Fargo Bank, National Association, as Administrative Agent for the Lenders (in such capacity, "**Secured Party**") pursuant to which Lenders have made certain commitments, subject to the terms and conditions set forth in the Credit Agreement, to extend certain credit facilities to Grantor; and

WHEREAS, pursuant to the terms of a Security Agreement dated as of October 2, 2002 (as amended, supplemented or otherwise modified from time to time, the "**Security Agreement**"), among Grantor, Secured Party and the other grantors named therein, Grantor has agreed to create in favor of Secured Party a security interest in, and Secured Party has agreed to become a secured creditor with respect to, the Trademark Collateral;

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, subject to the terms and conditions of the Security Agreement, Grantor hereby grants to Secured Party a security interest in all of Grantor's right, title and interest in and to the following, in each case whether now or hereafter existing or in which Grantor now has or hereafter acquires an interest and wherever the same may be located (the "**Trademark Collateral**"):

(i) all rights, title and interest (including rights acquired pursuant to a license or otherwise but only to the extent permitted by agreements governing such license or other use) in and to all trademarks, service marks, designs, logos, indicia, tradenames, trade dress, corporate names, company names, business names, fictitious business names, trade styles and/or other source and/or business identifiers and applications pertaining thereto, owned by such Grantor, or hereafter adopted and used, in its business (including, without limitation, the trademarks specifically identified in Schedule A) (collectively, the "**Trademarks**"), all registrations that have been or may hereafter be issued or applied for thereon in the United States and any state thereof and in foreign countries (including, without limitation, the registrations and applications specifically identified in Schedule A) (the "**Trademark Registrations**"), all common law and other rights (but in no event any of the obligations) in and to the Trademarks in the United States and any state thereof and in foreign countries (the "**Trademark Rights**"), and all goodwill of such Grantor's business symbolized by the Trademarks and associated therewith (the "**Associated Goodwill**"); and

(ii) all proceeds, products, rents and profits of or from any and all of the foregoing Trademark Collateral and, to the extent not otherwise included, all payments under insurance (whether or not Secured Party is the loss payee thereof), or any indemnity, warranty or guaranty, payable by reason of loss or damage to or otherwise with respect to any of the foregoing Trademark Collateral. For purposes of this Grant of Trademark Security Interest, the term “**proceeds**” includes whatever is receivable or received when Trademark Collateral or proceeds are sold, exchanged, collected or otherwise disposed of, whether such disposition is voluntary or involuntary.

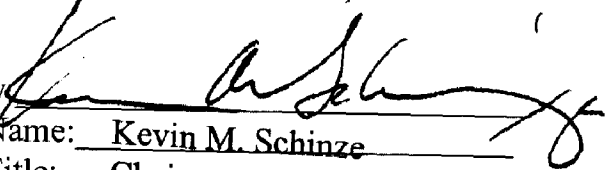
Notwithstanding anything herein to the contrary, in no event shall the Trademark Collateral include, and Grantor shall be not deemed to have granted a security interest in, any of Grantor’s rights or interests in any license, contract or agreement to which Grantor is a party or any of its rights or interests thereunder to the extent, but only to the extent, that such a grant would, under the terms of such license, contract or agreement or otherwise, result in a breach of the terms of, or constitute a default under any license, contract or agreement to which Grantor is a party (other than to the extent that any such term would be rendered ineffective pursuant to the UCC or any other applicable law (including the Bankruptcy Code) or principles of equity); provided, that immediately upon the ineffectiveness, lapse or termination of any such provision, the Trademark Collateral shall include, and Grantor shall be deemed to have granted a security interest in, all such rights and interests as if such provision had never been in effect.

Grantor does hereby further acknowledge and affirm that the rights and remedies of Secured Party with respect to the security interest in the Trademark Collateral granted hereby are more fully set forth in the Security Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein.

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IN WITNESS WHEREOF, Grantor has caused this Grant of Trademark Security Interest to be duly executed and delivered by its officer thereunto duly authorized as of the 2nd day of October, 2002.

PHOENIX SCIENTIFIC, INC.

By: 
Name: Kevin M. Schinze
Title: Chairman of the Board, President,
CEO, Secretary and Assistant
Treasurer

**SCHEDULE A
TO
GRANT OF TRADEMARK SECURITY INTEREST**

U.S. Trademarks:

<u>Registered Owner</u>	<u>Trademark Description</u>	<u>Registration Number</u>	<u>Registration Date</u>
Phoenix Scientific, Inc.	SPECTAM*	863,824	1/21/69
Phoenix Scientific, Inc.	MULTISOL	941,285	8/22/72
Phoenix Scientific, Inc.	MAGNADEX	991,093	8/20/74
Phoenix Scientific, Inc.	KAL-K-DEX	991,094	8/20/74
Phoenix Scientific, Inc.	IVS-1830	991,098	8/20/74
Phoenix Scientific, Inc.	MAXIM-200	1,979,814	6/11/96
Phoenix Scientific, Inc.	PHOENIX SCIENTIFIC, INC and Design	2,452,723	5/22/01
Phoenix Scientific, Inc.	QV	2,465,509	7/3/01
Phoenix Scientific, Inc.	PHOENECTIN	2,496,209	10/9/01
Phoenix Scientific, Inc.	PROSTAMATE	2,513,101	11/27/01
Phoenix Scientific, Inc.	AMTECH and Design	1,814,665	1/4/94
Phoenix Scientific, Inc.	AmTech Group, Inc.	1,836,537	5/17/94

Pending U.S. Trademark Applications

<u>Applicant</u>	<u>Trademark Description</u>	<u>Serial Number</u>	<u>Filing Date</u>
Phoenix Scientific, Inc.	RIGICARE	75/863,182	12/3/99
Phoenix Scientific, Inc.	QV and Design	76/056,394	5/25/00
Phoenix Scientific, Inc.	MAXIM	76/113,069	8/21/00
Phoenix Scientific, Inc.	CEFTIMAX	76/274,551	6/21/01
Phoenix Scientific, Inc.	EMBUTANE	76/274,454	6/21/01
Phoenix Scientific, Inc.	GENTAPOULT	76/319,382	10/1/01
Phoenix Scientific, Inc.	AMTECH and Design	76/377,642	3/4/02
Phoenix Scientific, Inc.	PHOENIX SCIENTIFIC	75/845,641	11/9/99
Phoenix Scientific, Inc.	OXY-SHOT	76/399,495	4/24/02
Phoenix Scientific, Inc.	SCOUR-HALT	76/411,965	5/23/02
Phoenix Scientific, Inc.	EQUISENSE	76/416,274	6/3/02
Phoenix Scientific, Inc.	OVASYNCH	76/418,902	6/10/02

* This is a partial interest.

Phoenix Scientific, Inc.
Phoenix Scientific, Inc.

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76/411,061
76/411,060

5/23/02
5/23/02

Foreign Trademarks:

Australia:

<u>Registered Owner</u>	<u>Trademark Description</u>	<u>Registration Number</u>	<u>Registration Date</u>
Phoenix Scientific, Inc.	SPECTAM	204667	8/31/99
Phoenix Scientific, Inc.	SPECTAM	84967	9/4/67

New Zealand:

<u>Registered Owner</u>	<u>Trademark Description</u>	<u>Registration Number</u>	<u>Registration Date</u>
Phoenix Scientific, Inc.	SPECTAM	84967	9/4/67