

09-24-2003

9-24-03



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SHEET

TO: The Commissioner of Patents and Trademarks: Please record the attached original document(s) or copy(ies).

**Submission Type**

- New
- Resubmission (Non-Recordation)  
Document ID #
- Correction of PTO Error  
Reel #  Frame #
- Corrective Document  
Reel #  Frame #

**Conveyance Type**

- Assignment
- License
- Security Agreement
- Nunc Pro Tunc Assignment  
Effective Date  
Month Day Year
- Merger
- Change of Name
- Other

**Conveying Party**

Mark if additional names of conveying parties attached

Execution Date  
Month Day Year

Name

Formerly

- Individual
- General Partnership
- Limited Partnership
- Corporation
- Association
- Other
- Citizenship/State of Incorporation/Organization

**Receiving Party**

Mark if additional names of receiving parties attached

Name

DBA/AKA/TA

Composed of

Address (line 1)

Address (line 2)

Address (line 3)

- Individual
- General Partnership
- Limited Partnership

- Corporation
- Association

Other

Citizenship/State of Incorporation/Organization

If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative should be attached (Designation must be a separate document from Assignment.)

09/25/2003 GTON11 00000047 501145 75123154

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FOR OFFICE USE ONLY

Public burden reporting for this collection of information is estimated to average approximately 30 minutes per Cover Sheet to be recorded, including time for reviewing the document and gathering the data needed to complete the Cover Sheet. Send comments regarding this burden estimate to the U.S. Patent and Trademark Office, Chief Information Officer, Washington, D.C. 20231 and to the office of Information and Regulatory Affairs, Office Management and Budget, Paperwork Reduction Project (0651-0027), Washington, D.C. 20503. See OMB Information Collection Budget Package 0651-0027, Patent and Trademark Assignment Practice. DO NOT SEND REQUESTS TO RECORD ASSIGNMENT DOCUMENTS TO THIS ADDRESS.

Mail documents to be recorded with required cover sheet(s) information to:  
Commissioner of Patents and Trademarks, Box Assignments, Washington, D.C. 20231

TRADEMARK  
REEL: 002829 FRAME: 0161

**Domestic Representative Name and Address**

Enter for the first Receiving Party only.

**Name**

**Address (line 1)**

**Address (line 2)**

**Address (line 3)**

**Address (line 4)**

**Correspondent Name and Address**

**Area Code and Telephone Number**

**Name**

**Address (line 1)**

**Address (line 2)**

**Address (line 3)**

**Address (line 4)**

**Pages** Enter the total number of pages of the attached conveyance document including any attachments. #

**Trademark Application Number(s) or Registration Number(s)**  Mark if additional numbers attached

Enter either the Trademark Application Number or the Registration Number (DO NOT ENTER BOTH numbers for the same property).

Trademark Application Number(s)			Registration Number(s)		
<input type="text" value="See 'SCHEDULE 1' attached hereto"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="See Schedule"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

**Number of Properties** Enter the total number of properties involved.

**Fee Amount** Fee Amount for Properties Listed (37 CFR 3.41): \$

**Method of Payment:** Enclosed  Deposit Account

Deposit Account  
(Enter for payment by deposit account or if additional fees can be charged to the account.)

Deposit Account Number: #

Authorization to charge additional fees: Yes  No

**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. Charges to deposit account are authorized, as indicated herein.

Carrie A. Pcolka, Esq.  
Name of Person Signing

  
Signature

09/23/03  
Date Signed

**SCHEDULE 1**  
**To Recordation Form Cover Sheet**

**TRADEMARKS**

**Conveying Party:** Axiohm IPB, Inc.

**Receiving Party:** The CIT Group/Business Credit, Inc.

<b>Word Mark</b>	<b>Country</b>	<b>Date Filed</b>	<b>Serial No.</b>	<b>Registration Date</b>	<b>Registration #</b>	<b>Status</b>
1-2-3 PAPER LOADING	USA	06/21/1996	75123154	06/17/2003	2726124	REGISTERED

**INTELLECTUAL PROPERTY SECURITY AGREEMENT**

THIS INTELLECTUAL PROPERTY SECURITY AGREEMENT, is dated as of September 18, 2003, and made by Axiohm IPB, Inc., a Delaware corporation (the "Grantor"), in favor of The CIT Group/Business Credit, Inc., a New York corporation, (the "Lender").

WITNESSETH:

WHEREAS, pursuant to the Financing Agreement by and between Cognitive Solutions, Inc., Transaction Printer Group, Inc., and Axhiom Transaction Solutions, Inc. (collectively, jointly, and severally, the "Borrower") and Lender dated September 18, 2003 (the " Financing Agreement") Lender has agreed to extend credit to Borrower upon the terms and subject to the conditions set forth therein; and

WHEREAS, Grantor is affiliated with and has mutual interests and common goals with the Borrower and expects to derive advantage from each and every loan, accommodation and/or transaction; and

WHEREAS, Grantor owns the Patents described on Schedule I hereto; and

WHEREAS, Grantor owns the Trademarks described on Schedule 2 hereto; and

WHEREAS, pursuant to the terms of that certain Guarantor's Security Agreement (the "Guaranty Agreement") dated contemporaneously herewith, Grantor has mortgaged, pledged and granted to Lender, a security interest in all right, title and interest of Grantor in, to and under the Collateral (as herein-after defined), together with any reissue, division, continuation, continuation-in-part or extension or renewal thereof, and all applications therefor, all whether presently existing or hereafter arising or acquired, and all proceeds thereof, including, without limitation, any and all causes of action which may exist by reason of infringement thereof for the full term of the Patents and Trademarks, to secure the payment of the obligations of Borrower, and/or Grantor to Lender (the "Obligations"); and

WHEREAS, for convenience of reference and recordation, but with no intention to supersede the terms of the Financing Agreement or the Guaranty Agreement, the parties hereto have entered into this Intellectual Property Security Agreement; and

WHEREAS, it is a condition precedent to the obligation of Lender to make extensions of credit to Borrower under the Financing Agreement that Grantor shall have executed and delivered this Intellectual Property Security Agreement to Lender.

NOW, THEREFORE, in consideration of the premises and to induce Lender to enter into the Financing Agreement and to induce Lender to make extensions of credit to Borrower under the Financing Agreement, Grantor hereby agrees with Lender, as follows:

1. Defined Terms. Unless otherwise defined herein, capitalized terms used herein have the meanings ascribed thereto in the Agreement; the following terms which are defined in the Uniform

Commercial Code in effect in the State of New York on the date hereof are used herein as so defined: General Intangibles and Proceeds; and the following terms shall have the following meanings:

"Code": the Uniform Commercial Code as from time to time in effect in the State of New York.

"Collateral": each of the items of personal property (tangible or intangible) in which Grantor has granted or has purported to grant a security interest to Lender.

"Intellectual Property": all Patents, Patent Applications, Trademarks, and Trademark Applications owned by Grantor, whether now existing or arising or existing.

"Intellectual Property Security Agreement": this Intellectual Property Security Agreement, as the same may be amended, supplemented or otherwise modified from time to time.

"Patents": (a) all letters patent of the United States and all reissues, divisions, continuations, continuations-in-part, extensions and renewals thereof, including, without limitation, those listed in Schedule I hereto and (b) all applications for letters patent of the United States or of any other country and all reissues, divisions, continuations and continuations-in-part, extensions and renewals thereof, including, without limitation, those listed in Schedule I hereto.

"Patent License": all agreements, whether written or oral, providing for the grant by Grantor of any right to manufacture, use or sell any invention covered by a Patent to extent Grantor is the sole owner of such Patent, including, without imitation, those listed in Schedule I hereto.

"Trademarks": (a) all registered trademarks and all extensions and renewals thereof, including, without limitation, those listed in Schedule 2 hereto and (b) all trademark applications and all extensions and renewals thereof, including, without limitation, those listed in Schedule 2 hereto.

"Trademark License": all agreements, whether written or oral, providing for the grant by Grantor of any right to use a Trademark to extent Grantor is the sole owner of such Trademark, including, without imitation, those listed in Schedule 2 hereto.

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 the Obligations, Grantor hereby grants to Lender a security interest in all of the following property now owned or at any time hereafter acquired by Grantor or in which Grantor now has or at any time in the future may acquire any right, title or interest:

- (a) all Patents;
- (b) all Patent Licenses;

- (c) all Trademarks;
- (d) all Trademark Licenses;
- (e) all General Intangibles relating to the foregoing; and
- (f) to the extent not otherwise included, all proceeds of infringement suits or actions, all royalties, and all of the rights and benefits of all causes of action which may exist by reason of any infringement, and all Proceeds and products of any and all of the foregoing.

3. Representations and Warranties. Grantor hereby represents and warrants that:

(a) Patents. Schedule 1 hereto includes all registered U.S. Patents and applications therefor, owned by Grantor on the date hereof and all other Patents and Patent Licenses owned by Grantor in its own name as of the date hereof. To the best of Grantor's knowledge, each Patent is valid, subsisting, unexpired, enforceable and has not been abandoned, except to the extent that the failure to be valid, subsisting, unexpired or enforceable or the abandonment thereof would not be reasonably likely to have a material adverse effect on this business of Borrower and/or Grantor. No holding, decision or judgment has been rendered by any governmental authority which would limit, cancel or question the validity of any Patent except for such holdings, decisions or judgments that would not be reasonably likely to have a material adverse effect on the business of Borrower and/or Grantor. No action or proceeding is pending seeking to limit, cancel or question the validity of any Patent, which, if adversely determined, would be reasonably likely to have a material adverse effect on the business of Borrower and/or Grantor.

(b) Trademarks. Schedule 2 hereto includes all registered U.S. Trademarks and applications therefor, owned by Grantor on the date hereof and all other Trademarks and Trademark Licenses owned by Grantor in its own name as of the date hereof. To the best of Grantor's knowledge, each Trademark is valid, subsisting, unexpired, enforceable and has not been abandoned, except to the extent that the failure to be valid, subsisting, unexpired or enforceable or the abandonment thereof would not be reasonably likely to have a material adverse effect on this business of Borrower and/or Grantor. No holding, decision or judgment has been rendered by any governmental authority which would limit, cancel or question the validity of any Trademark except for such holdings, decisions or judgments that would not be reasonably likely to have a material adverse effect on the business of Borrower and/or Grantor. No action or proceeding is pending seeking to limit, cancel or question the validity of any Trademark, which, if adversely determined, would be reasonably likely to have a material adverse effect on the business of Borrower and/or Grantor.

(c) Chief Executive Office. Grantor's chief executive office and chief place of business is located at 950 Danby Road, Ithaca, NY 14850.

Grantor agrees that the foregoing representations and warranties shall be deemed to have been made by Grantor on and as of the date hereof and on and as of each date on which an extension of credit is made by Lender to Borrower, in each case as though made hereunder on and as of each such date.

4. Covenants. Grantor covenants and agrees with Lender that, from and after the date of this Intellectual Property Security Agreement until the Obligations are paid and performed in full:

(a) Further Documentation. At any time and from time to time, upon the written request of Lender, and at the sole expense of Grantor, Grantor will promptly and duly execute and deliver such further instruments and documents and take such further action as Lender may reasonably request for the purpose of obtaining or preserving the full benefits of this Intellectual Property Security Agreement and of the rights and powers herein granted.

(b) Indemnification. Grantor agrees to pay, and to save Lender harmless from, any and all liabilities, costs and expenses (including, without limitation, reasonable legal fees and expense) (i) with respect to, or resulting from, any delay by Grantor in paying, any and all excise, sales or other taxes which may be payable or determined to be payable with respect to any of the Collateral, (ii) with respect to, or resulting from, any delay in complying with any requirement of law applicable to any of the Collateral or (iii) in connection with any of the transactions contemplated by this Intellectual Property Security Agreement.

(c) Intellectual Property.

(i) Grantor will not (either itself or through licensees), except with respect to any Intellectual Property that Grantor shall reasonably determine is not material to the business of Borrower and/or Grantor and each of their subsidiaries taken as a whole, do any act, or omit to do any act, whereby the registration of any Intellectual Property may become abandoned or dedicated.

(ii) Grantor will notify Lender of any (A) abandonment or dedication of Intellectual Property (other than foreign patents and applications with respect thereto) ("USIP"); or (B) determination by a court or tribunal in the country where (1) the Intellectual Property is registered, or (2) the Intellectual Property application is pending, that Grantor does not own all right, title and interest to the USIP, or of any other adverse determination of such court or tribunal relating to any Intellectual Property; provided that (x) Grantor has actual notice of such event and (y) such Intellectual Property or application is material to the business of Borrower and/or Grantor and its subsidiaries, taken as a whole.

(iii) Whenever Grantor, either by itself or through any agent, employee, licensee or designee, shall file an application for the registration of Intellectual Property with the United States Patent and Trademark Office (the "PTO") or any similar office or agency in any other country or any political subdivision thereof, Grantor shall report such filing to Lender within five Banking Days after the last day of the calendar year in which such filing occurs. Upon request of Lender, Grantor shall execute and deliver any and all

agreements, instruments, documents, and papers as Lender may reasonably request to evidence Lender's security interest in the Intellectual Property and the goodwill and General Intangibles, if any, of Grantor relating thereto or represented thereby, and Grantor hereby constitutes Lender its attorney-in-fact to execute and file all such writings for the purposes of so evidencing Lender's security interest (and Lender agrees to notify Grantor that any such filing has been made, provided that any failure to so notify shall not invalidate any such actions by Lender), all lawful acts of such attorney being hereby ratified and confirmed; such power being coupled with an interest is irrevocable until the Obligations are paid in full.

(iv) Grantor will, except with respect to any Intellectual Property application or registration that is not material to the business of Borrower and/or Grantor and each of their subsidiaries, taken as a whole, take all reasonable and necessary steps, as it shall deem appropriate under the circumstances, in accordance with its reasonable business judgment, including, without limitation, in any proceeding before the PTO, or any similar office or agency in any other country or any political subdivision thereof, to maintain and pursue each Intellectual Property application (and to obtain the relevant registration and to maintain such registration), including, without limitation, where appropriate, filing of applications for renewal, affidavits of use and affidavits of incontestability.

(v) In the event that any Intellectual Property included in the Collateral is materially infringed or misappropriated, Grantor shall promptly notify Lender after it learns thereof and shall, unless Grantor shall reasonably determine that such Intellectual Property is not of material economic value to Borrower and/or Grantor, take such actions as Grantor shall reasonably deem appropriate under the circumstances to protect such Intellectual Property.

5. Limitation on Duties Regarding Preservation of Collateral. Lender's sole duty with respect to the custody, safekeeping and physical preservation of the Collateral in its possession, under Section 9-207 of the Code or otherwise, shall be to deal with it in the same manner as Lender deals with similar property for its own account. Neither Lender nor any of its respective directors, officers, employees or agents shall be liable for failure to demand, collect or realize upon all or any part of the Collateral or for any delay in doing so or shall be under any obligation to sell or otherwise dispose of any Collateral upon the request of Grantor or any other person.

6. Remedies.

(a) If an Event of Default shall occur and be continuing, Lender may exercise, in addition to all other rights and remedies granted to it in this Intellectual Property 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 Code. Without limiting the generality of the foregoing, Lender, without demand of performance or other demand, presentment, protest, advertisement or notice of any kind (except any notice required by law referred to below) to or upon Grantor or any person or entity (all and each of which demands, defenses, advertisements and notices are hereby waived), may forthwith collect, receive, appropriate or realize upon the Collateral, or any part thereof, and/or may forthwith sell, lease, assign, license, give option or options to purchase, or otherwise dispose of and deliver the Collateral or any



part thereof (or contract to do any of the foregoing), in one or more lots at public or private sale or sales, exchange, broker's board or office of Lender or elsewhere upon such terms and conditions as it may deem advisable and at such prices it may deem best, for cash or on credit or for future delivery without assumption of any credit risk. Lender shall have the right upon any such public sale or sales, and to the extent permitted by law, upon any such private sale or sales, to purchase the whole or any part of the Collateral so sold, free of any right or equity of redemption in Grantor, which right or equity is hereby waived or released. Grantor further agrees, at Lender's request upon the occurrence and during the continuance of an Event of Default, to assemble and make the Collateral available to Lender at places which Lender shall reasonably select, whether at Grantor's premises or elsewhere. To the extent permitted by applicable law, Grantor waives all claims, damages and demands it may acquire against Lender arising out of the exercise by it of any rights hereunder. If any notice of a proposed sale or other disposition of Collateral shall be required by law, such notice shall be deemed reasonable and proper if given at least ten (10) days before such sale or other disposition. Grantor shall remain liable for any deficiency if the proceeds of any sale or other disposition of the Collateral are insufficient to pay the Obligations, including the reasonable fees and disbursements of any attorneys employed by Lender to collect such deficiency.

(b) In addition to and as part of the rights set forth above, Grantor hereby agrees that if an Event of Default shall occur and be continuing, Grantor shall take all actions necessary, appropriate or proper to transfer ownership of the Collateral or any part thereof to Lender or its assigns, including without limitation, filing any and all assignments with the PTO whether in the forms attached hereto as Exhibit A and/or Exhibit B or such other form as is deemed necessary, appropriate or proper under the circumstances. Grantor hereby constitutes and appoints Lender (and any officer, employee or agent of Lender, with a full power of substitution) its true and lawful attorney and agent in fact to take, upon or after the occurrence of an Event of Default, any and all actions described in this subsection (b) in Lender's, Grantor's or Borrower's names, and at Borrower's sole cost and expense, Grantor covenants and agrees that any action described in this subsection (b) may be taken at Lender's sole and absolute discretion, at any time and from time to time, and that Grantor hereby ratifies and confirms all actions taken. Grantor further covenants and agrees that the powers-of-attorney granted by this Section (b) are coupled with an interest and shall be irrevocable until full and final payment and performance of the Obligations; that said powers are granted solely for the protection of Lender's interest and Lender shall have no duty to exercise any thereof; that the decision whether to exercise any such power, and the manner of exercise, shall be solely within Lender's discretion; and that neither Lender nor any of its directors, officers, employees or agents shall be liable for any act of omission or commission (except for acts or omissions which constitute the gross negligence or willful misconduct of Lender), or for any mistake or error of judgment, in connection with any such powers.

(c) No remedy referred to in this Intellectual Property Security Agreement is intended to be exclusive, but each shall be cumulative and in addition to any other remedy referred to in this Intellectual Property Security Agreement or otherwise available to Lender by agreement or at law or in equity. No express or implied waiver by Lender of any default or Event of Default shall in any way be, or be construed to be, a waiver of any future or subsequent default or Event of Default. The failure or delay of Lender in exercising any rights granted it hereunder upon any occurrence of any of the contingencies set forth herein shall not constitute a waiver of any such right upon the continuation or reoccurrence of any such contingency or similar contingencies, and any single or partial exercise of any particular right by Lender shall not exhaust the same or constitute a waiver of any such right.

(d) Notwithstanding anything to the contrary contained herein or in the Agreement, Lender agrees that upon the exercise of any of its rights or remedies in respect of the Collateral whether arising hereunder, in the Financing Agreement, the Guaranty Agreement, or at law and the receipt by Lender of proceeds as a result of such exercise shall result in Lender retaining the proceeds otherwise due to Borrower.

7. Severability. Any provision of this Intellectual Property Security Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

8. Section Headings. The Section headings used in this Intellectual Property Security Agreement are for convenience of reference only and are not to affect the construction hereof or be taken into consideration in the interpretation hereof.

9. Waivers and Amendments; Successors and Assigns; Governing Law. None of the terms or provisions of this Intellectual Property Security Agreement may be waived, amended, supplemented or otherwise modified except by a written instrument executed by Grantor and Lender, provided that any provision of this Intellectual Property Security Agreement for the benefit of Lender may be waived by Lender in a written letter or agreement executed by Lender or by telex or facsimile transmission from and bearing the facsimile signature of Lender. This Intellectual Property Security Agreement shall be binding upon the successors and assigns of Grantor and shall inure to the benefit of Lender and its respective successors and assigns, except that Grantor may not assign, transfer or delegate any of its rights or obligations under this Intellectual Property Security Agreement without the prior written consent of Lender. This Intellectual Property Security Agreement shall be governed by, and construed and interpreted in accordance with, the laws of the State of New York.

10. Notices. All notices, requests and demands to or upon the respective parties hereto to be effective shall be in writing (including by telecopy), and shall be made and deemed to have been duly given in the manner and at the time as provided for notices under the Agreement.

11. Submission To Jurisdiction; Waivers. (a) Grantor hereby irrevocably and unconditionally:

(i) submits for itself and its property in any legal action or proceeding relating to this Intellectual Property Security Agreement, and any other Relevant Documents to which it is a party, or for recognition and enforcement of any judgment in respect thereof, to the non-exclusive general jurisdiction of the Courts of the State of New York, situated in New York County, the courts of the United States of America for the Southern District of New York, and appellate courts from any thereof;

(ii) consents that any such action or proceeding may be brought in such courts and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;

(iii) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to Grantor at its address set forth under Section 11 or at such other address of which Lender shall have been notified pursuant thereto; and

(iv) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law or shall limit the right to sue in any other jurisdiction.

(b) Each of Grantor and Lender hereby unconditionally and irrevocably waives, to the maximum extent not prohibited by law, any right they may have to claim or recover in any legal action or proceeding referred to in this Section any special, exemplary, punitive or consequential damages.

12. Acknowledgements. Grantor hereby acknowledges that:

(a) it has been advised by counsel in the negotiation, execution and delivery of this Intellectual Property Security Agreement, and the other relevant documents to which it is a party;

(b) Lender has no fiduciary relationship with or duty to it or any other party arising out of or in connection with this Intellectual Property Security Agreement, the Agreement or any of the other relevant documents, and the relationship between Lender, on one hand, and Borrower and Grantor, on the other hand, in connection herewith or therewith is solely that of debtor and creditor; and

(c) no joint venture is created hereby or by the other relevant documents or otherwise exists by virtue of the transactions contemplated hereby between Lender, Grantor and/or Borrower.

13. Authority of Lender. Grantor acknowledges that the rights and responsibilities of Lender under this Intellectual Property Security Agreement with respect to any action taken by Lender or the exercise or non-exercise by Lender of any option, right, request, judgment or other right or remedy provided for herein or resulting or arising out of this Intellectual Property Security Agreement shall be governed by the Agreement and by such other agreement with respect thereto as may exist from time to time among them.

14. Incorporation of Security Agreement Provision. Grantor hereby acknowledges and affirms that the rights and remedies of Lender with respect to the security interest in the Collateral made and granted hereby are more fully set forth in the Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein. Nothing in this Intellectual Property Security Agreement shall defer or impair any attachment or perfection of any security interest in the collateral covered by the Agreement which would attach or be perfected pursuant to the terms thereof without action by Grantor or any other person.

15. Release of Collateral and Termination. (a) At such time as the Obligations have been paid and performed in full, the Collateral shall be released from the liens created hereby, and this Intellectual Property Security Agreement and all obligations (other than those expressly stated to survive such termination) of Grantor to Lender under this Intellectual Property Security Agreement shall terminate, all without delivery of any instrument or performance or any act by any party, and all rights to the Collateral shall revert to Grantor. Upon request of Grantor following any such termination, Lender shall deliver (at the sole cost and expense of Grantor) to Grantor any Collateral held by Lender hereunder, and execute and deliver (at the sole cost and expense of Grantor) to Grantor such documents as Grantor shall reasonably request to evidence such termination.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, Grantor has caused this Intellectual Property Security Agreement to be duly executed and delivered as of the date first above written.

AXIOHM IPB, INC.

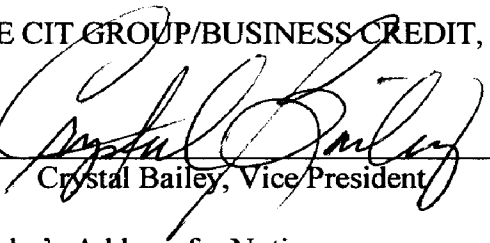
By:   
Stuart Groom, Treasurer

Grantor's Address for Notices:

Axiohm IPB, Inc.  
950 Danby Road  
Ithaca, NY 14850

Agreed to and Accepted:

THE CIT GROUP/BUSINESS CREDIT, INC.

By:   
Crystal Bailey, Vice President

Lender's Address for Notices:

The CIT Group/Business Credit, Inc.  
1211 Avenue of the Americas  
New York, NY 10036.

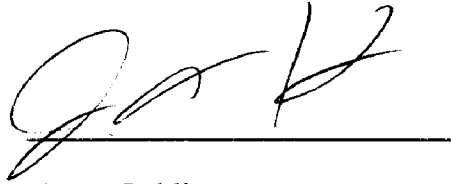
ACKNOWLEDGMENT

STATE OF NEW JERSEY)

) SS.:

COUNTY OF MORRIS)

BE IT REMEMBERED, that on this 18th day of September, 2003, before me, the subscriber, personally appeared Stuart Groom, who I am satisfied is Treasurer of Axiohm IPB, Inc. and who executed the within Intellectual Property Security Agreement on behalf of such corporation and thereupon acknowledged that he signed, sealed and delivered the same as the voluntary act and deed of such corporation, for the purposes therein expressed.



Notary Public

JULIE-ANN N. HYDE  
A Notary Public Of New Jersey  
My Commission Expires 08/29/06

EXHIBIT A

ASSIGNMENT OF PATENTS

THIS ASSIGNMENT OF PATENTS is made as of the \_\_\_\_ day of \_\_\_\_\_, 20\_\_, by Axiohm IPB, Inc., a Delaware corporation, having its principal place of business at 950 Danby Road, Ithaca, NY 14850 (hereinafter referred to as "Assignor").

WHEREAS, Assignor owns the entire right, title and interest in and to the following United States patents (the "Patents"), and the inventions described and claimed on Schedule I.

WHEREAS, Assignor desires to transfer the Patents to The CIT Group/Business Credit, Inc., a New York corporation, having a location at 1211 Avenue of the Americas, New York, NY 10036 (hereinafter referred to as "Assignee").

NOW, THEREFORE, for good and valuable consideration and the payment of One Dollar (\$1.00) and other good and valuable consideration, the receipt and sufficiency of which whereof is hereby acknowledged, Assignor does subject to the terms of the Intellectual Property Security Agreement by and between Assignor and Assignee of even date herewith hereby assign, transfer, sell, convey and settle unto Assignee, its successors, legal representatives and assigns, all of the right, title and interest in and to the Patents.

Assignor hereby warrants and covenants that it has the full power and authority to convey the rights, title and interests herein assigned, transferred and sold to Assignee, that it has not executed and will not execute any agreement in conflict herewith, and that it will not execute or procure the execution of any and all future assignments or other instruments which may be necessary to perfect and evidence Assignee's ownership of the property and rights herein conveyed.

1073484A04091703

IN WITNESS WHEREOF, Assignor has caused this Assignment of Patents to be executed

as of the day and year first above written.

AXIOHM IPB, INC.

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

ACKNOWLEDGMENT

STATE OF \_\_\_\_\_)

) SS.:

COUNTY OF \_\_\_\_\_)

BE IT REMEMBERED, that on this \_\_\_\_ day of \_\_\_\_\_, 20\_\_, before me, the subscriber, personally appeared \_\_\_\_\_, who I am satisfied is \_\_\_\_\_ of Axiohm IPB, Inc. and who executed the within Assignment of Patents on behalf of such corporation and thereupon acknowledged that he signed, sealed and delivered the same as the voluntary act and deed of such corporation, for the purposes therein expressed.

\_\_\_\_\_  
Notary Public



SCHEDULE I

PATENTS

Title	Country	Date		App. No.	Patent #	Status
		Filed	Issued			
PAPER LOADING MECHANISM	USA	10/06/1997	03/30/1999	944165	5,887,999	ISSUED
RECEIPT PRINTING, STORAGE AND DISCHARGING MECHANISM	USA	11/07/1997	03/09/1999	965710	5,879,090	ISSUED
PAPER ADJUSTMENT DEVICE FOR A PRINTER	USA	09/26/1997	09/01/1998	938791	5,800,080	ISSUED
METHOD AND APPARATUS FOR IMPROVING READHEAD PERFORMANCE	USA	01/31/1996	08/04/1998	594927	5,789,916	ISSUED
AUTOMATIC JOURNAL-LOADING ASSEMBLY	USA	08/28/1996	05/19/1998	697754	5,752,779	ISSUED
CUTTING MECHANISM FOR RECEIPT PRINTER	USA	05/23/1996	05/12/1997	652744	5,749,277	ISSUED
LOW-PAPER SENSING APPARATUS	USA	07/05/1996	02/03/1998	682869	5,713,678	ISSUED
APPARATUS FOR RECEIPT PRINTING HAVING SHARED PATHWAY WITH CHECK VALIDATION	USA	01/31/1996	07/29/1997	594979	5,651,624	ISSUED
AUTOMATIC JOURNAL LOADING ASSEMBLY	USA	03/18/1996	03/25/1997	617255	5,613,787	ISSUED

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EXHIBIT B

ASSIGNMENT OF TRADEMARKS

THIS ASSIGNMENT OF TRADEMARKS is made as of the \_\_\_\_ day of \_\_\_\_\_, 20 \_\_, by Axiohm IPB, Inc., a Delaware corporation, having its principal place of business at 950 Danby Road, Ithaca, NY 14850 (hereinafter referred to as "Assignor").

WHEREAS, Assignor owns the entire right, title and interest in and to the following United States trademarks (the "Trademarks") set forth on Schedule 2.

WHEREAS, Assignor desires to transfer the Trademarks to The CIT Group/Business Credit, Inc., a New York corporation, having a location 1211 Avenue of the Americas, New York, NY 10036 (hereinafter referred to as "Assignee").

NOW, THEREFORE, for good and valuable consideration and the payment of One Dollar (\$1.00) and other good and valuable consideration, the receipt and sufficiency of which whereof is hereby acknowledged, Assignor does subject to the terms of the Intellectual Property Security Agreement by and between Assignor and Assignee of even date herewith hereby assign, transfer, sell, convey and settle unto Assignee, its successors, legal representatives and assigns, all of the right, title and interest in and to the Trademarks.

Assignor hereby warrants and covenants that it has the full power and authority to convey the rights, title and interests herein assigned, transferred and sold to Assignee, that it has not executed and will not execute any agreement in conflict herewith, and that it will not execute or procure the execution of any and all future assignments or other instruments which may be necessary to perfect and evidence Assignee's ownership of the property and rights herein conveyed.

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**TRADEMARK**  
**REEL: 002829 FRAME: 0178**

IN WITNESS WHEREOF, Assignor has caused this Assignment of Trademarks to be executed as of the day and year first above written.

AXIOHM IPB, INC.

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

ACKNOWLEDGMENT

STATE OF \_\_\_\_\_)

) SS.:

COUNTY OF \_\_\_\_\_)

BE IT REMEMBERED, that on this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, before me, the subscriber, personally appeared \_\_\_\_\_, who I am satisfied is \_\_\_\_\_ of Axiohm IPB, Inc. and who executed the within Assignment of Trademarks on behalf of such corporation and thereupon acknowledged that he/she signed, sealed and delivered the same as the voluntary act and deed of such corporation, for the purposes therein expressed.

\_\_\_\_\_

Notary Public

SCHEDULE 2

TRADEMARKS

Word Mark	Country	Date Filed	Serial No.	Registration Date	Registration #	Status
1-2-3 PAPER LOADING	USA	06/21/1996	75123154	06/17/2003	2726124	REGISTERED

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