

02-13-2004

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FORM PTO-1594

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U.S. DEPARTMENT OF COMMERCE

Patent and Trademark Office

(Rev. 03/01)
OMB No. 0651-0027 (exp. 05/31/2002)

102670137

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

1. Name of conveying party(ies):
QUASAR INTERNATIONAL, INC. *2.2.04*

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

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

2. Name and address of receiving party(ies):
Name: **Silicon Valley Bank**
Internal Address: HA155

Street Address: 3003 Tasman Drive

City: Santa Clara State: CA ZIP: 95054

3. Nature of conveyance:

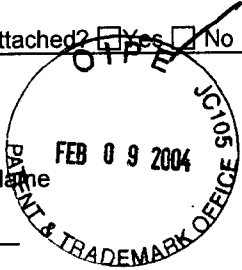
Assignment Merger
 Security Agreement Change of Name
 Other _____

1/15/04

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

If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No

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



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

A. Trademark Application No.(s)	B. Trademark No.(s) 1,799,175

Additional numbers attached? Yes No

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

Name: **Silicon Valley Bank**

Internal Address: Loan Documentation HA155

Street Address: 3003 Tasman Dr.

City: Santa Clara State: Ca ZIP: 95054

6. Total number of applications and registrations involved: **1**

7. Total fee (37 CFR 3.41): **\$ 40.00**
 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

02/12/2004 ECOOPER 00000083 1799175

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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.

Maribel Arteaga
Name of Person Signing

Maribel Arteaga
Signature

1/15/04
Date

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

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

TRADEMARK
REEL: 002912 FRAME: 0741

INTELLECTUAL PROPERTY SECURITY AGREEMENT

This Intellectual Property Security Agreement is entered into as of the Effective Date by and between SILICON VALLEY BANK ("Bank") and Quasar International, Inc. ("Grantor").

RECITALS

A. Bank has agreed to make certain advances of money and to extend certain financial accommodation to Grantor (the "Loans") in the amounts and manner set forth in that certain Loan and Security Agreement by and between Bank and Grantor dated the Effective Date (as the same may be amended, modified or supplemented from time to time, the "Loan Agreement"; capitalized terms used herein are used as defined in the Loan Agreement). Bank is willing to make the Loans to Grantor, but only upon the condition, among others, that Grantor shall grant to Bank a security interest in certain Copyrights, Trademarks, Patents, and Mask Works to secure the obligations of Grantor under the Loan Agreement.

B. Pursuant to the terms of the Loan Agreement, Grantor has granted to Bank a security interest in all of Grantor's right, title and interest, whether presently existing or hereafter acquired, in, to and under all of the Collateral.

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, and intending to be legally bound, as collateral security for the prompt and complete payment when due of its obligations under the Loan Agreement, Grantor hereby represents, warrants, covenants and agrees as follows:

AGREEMENT

To secure its obligations under the Loan Agreement, Grantor grants and pledges to Bank a security interest in all of Grantor's right, title and interest in, to and under its Intellectual Property Collateral (including without limitation those Copyrights, Patents, Trademarks and Mask Works listed on Schedules A, B, C, and D hereto), and including without limitation all proceeds thereof (such as, by way of example but not by way of limitation, license royalties and proceeds of infringement suits), the right to sue for past, present and future infringements, all rights corresponding thereto throughout the world and all re-issues, divisions continuations, renewals, extensions and continuations-in-part thereof.

This security interest is granted in conjunction with the security interest granted to Bank under the Loan Agreement. The rights and remedies of Bank with respect to the security interest granted hereby are in addition to those set forth in the Loan Agreement and the other Loan Documents, and those which are now or hereafter available to Bank as a matter of law or equity. Each right, power and remedy of Bank provided for herein or in the Loan Agreement or any of the Loan Documents, or now or hereafter existing at law or in equity shall be cumulative and concurrent and shall be in addition to every right, power or remedy provided for herein and the exercise by Bank of any one or more of the rights, powers or remedies provided for in this Intellectual Property Security Agreement, the Loan Agreement or any of the other Loan Documents, or now or hereafter existing at law or in equity, shall not preclude the simultaneous or later exercise by any person, including Bank, of any or all other rights, powers or remedies.

IN WITNESS WHEREOF, the parties have cause this Intellectual Property Security Agreement to be duly executed by its officers thereunto duly authorized as of the first date written above.

Address of Grantor:

5550 Midway Park Place NE
Albuquerque, NM 87109

Attn: James J. Schwarz

Address of Bank:

14300 Northsight Boulevard
Suite 203
Scottsdale, AZ 85260

Attn: _____

GRANTOR:

Quasar International, Inc.

By: J J Schwarz
Title: President

BANK:

SILICON VALLEY BANK

By: Karl Johnson
Title: SVP

Exhibit A

**Quasar Software Sold/Licensed/Distributed
Registered With The United States Copyright Office**

RI-2000

- | | |
|-----------------------------------|-------------|
| 1. Galaxy Operating System (RIPS) | TXu 881-931 |
| 2. Galileo Development System | TXu 881-933 |

RU-Spec

- | | |
|--------|--------------|
| 1. RUS | TX 3-806-274 |
|--------|--------------|

Exhibit B

Quasar US Patents

5,408,880	Ultrasonic Differential Measurement
5,425,272	Relative Frequency Shifts to Detect Cracks
5,495,763	Method for Resonant Measurement
5,641,905	Second derivative peak picker
5,631,423	Method for Resonant Measurement
5,837,896	Detection of defects using RUS at predicted high order modes
5,886,263	Method of Resonant Life Cycle Comparison Inspection and Testing
5,952,576	Concurrent RUS Measurements using Multiple Frequencies
5,965,817	Temperature Compensation of Resonant Frequency Measurements for the effects of Temperature Variations.
5,992,234	Detection of defects using RUS at predicted high order modes (expanded claims relative to 5,837,896)
6,199,431	Method of Resonant Life Cycle Comparison Inspection By Serial Number

Pending Quasar US Patents

Methods and Devices Relating To Estimating Classifier Performance

Exhibit C

**Quasar Trademarks Registered
With The United States Copyright Office**

Reg. #

Trademark

1,799,175

NDI

EXHIBIT D

Mask Works

Description

Registration/
Application
Number

Registration/
Application
Date

NONE