08-19-2004 U.S. DEPARTMENT OF COMMERCE Form PTO-1594 (Rev. 06/04) ed States Patent and Trademark Office OMB Collection 0651-0027 (exp. 6/30/2005) 102817064 Τъ, Satent and Trademark Office: Please record the attached documents or the new address(es) below. 2. Name and address of receiving party(ies) 1. Name of conveying party(ies)/Execution Date(s); Additional names, addresses, excitizenship attached? Communications U Name: Internal Association Address Individual(s) Limited Partnership General Partnership Corporation-State Other Citizenship (see guidelines) Country 7181200 Citizenship Nationa Execution Date(s) Association General Partnership Citizenship Additional names of conveying parties attached? | Yes | No Limited Partnership Citizenship 3. Nature of conveyance: Corporation Citizenship Merger Assignment Citizenship Other If assignee is not domiciled in the United States, a domestic Change of Name Security Agreement representative designation is attached: Yes (Designations must be a separate document from assignment) Other 4. Application number(s) or registration number(s) and identification or description of the Trademark. B. Trademark Registration No.(s) A. Trademark Application No.(s) Additional sheet(s) attached? Yes C. Identification or Description of Trademark(s) (and Filing Date if Application or Registration Number is unknown): 5. Name & address of party to whom correspondence 6. Total number of applications and concerning document should be mailed: registrations involved: 7. Total fee (37 CFR 2.6(b)(6) & 3.41) Internal Address Authorized to be charged by credit card Camuno Kea Authorized to be charged to deposit account 8. Payment Information:

> Documents to be recorded (including cover sheet) should be faxed to (703) 306-5995, or mailed to: Mail Stop Assignment Recordation Services, Director of the USPTO, P.O. Box 1450, Alexandria, VA 22313-1450

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INTELLECTUAL PROPERTY SECURITY AGREEMENT

This INTELLECTUAL PROPERTY SECURITY AGREEMENT, dated as of July 8, 2004 (the "Agreement") between BRIDGE BANK, NATIONAL ASSOCIATION ("Lender") and AML Communications, Inc., ("Grantor") is made with reference to the Business Financing Agreement, dated as of July 8, 2004 (as amended from time to time, the "Financing Agreement'), between Lender and Grantor. Terms defined in the Financing Agreement have the same meaning when used in this Agreement.

For good and valuable consideration, receipt of which is hereby acknowledged, Grantor hereby covenants and agrees as follows:

To secure the Obligations under the Financing Agreement, Grantor grants to Lender a security interest in all right, title, and interest of Grantor in any of the following, whether now existing or hereafter acquired or created in any and all of the following property (collectively, the "Intellectual Property Collateral"):

- (a) copyright rights, copyright applications, 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 (collectively, the "Copyrights"), including the Copyrights described in Exhibit A;
- (b) trademark and servicemark rights, whether registered or not, applications to register and registrations of the same and like protections, and the entire goodwill of the business of Borrower connected with and symbolized by such trademarks (collectively, the "Trademarks"), including the Trademarks described in Exhibit B;
- (c) patents, patent applications and like protections including without limitation improvements, divisions, continuations, renewals, reissues, extensions and continuations-in-part of the same (collectively, the "Patents"), including the Patents described in Exhibit C;
- (d) mask work or similar rights available for the protection of semiconductor chips or other products (collectively, the "Mask Works");
- (e) trade secrets, and any and all intellectual property rights in computer software and computer software products;
 - (f) design rights;
- (g) 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;
- (h) licenses or other rights to use any of the Copyrights, Patents, Trademarks, or Mask Works, and all license fees and royalties arising from such use to the extent permitted by such license or rights;
- (i) amendments, renewals and extensions of any of the Copyrights, Trademarks, Patents, or Mask Works; and
- (j) 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 rights and remedies of Lender with respect to the security interests granted hereunder are in addition to those set forth in the Financing Agreement, and those which are now or hereafter available to Lender as a matter of law or equity. Each right, power and remedy of Lender provided for herein or in the Financing Agreement, 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 Lender of any one or more of such rights, powers or remedies does not preclude the simultaneous or later exercise by Lender of any other rights, powers or remedies.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

GRANTOR:

AML COMMUNICATIONS, INC.

Name: Jaco Title: PRES

Address for Notices:

1000 Avenida Acaso

Camarillo, CA 93012 Tel: (805) 388-1345

Fax: (805) 484-2191

LENDER:

BRIDGE BANK, NATIONAL ASSOCIATION

Title:

Address for Notices:

Attn: Mike Field 2120 El Camino Real Santa Clara, CA 95050

Tel: (408) 556-6503 Fax:(408) 423-8510

EXHIBIT A

COPYRIGHTS

Description

Registration/ Application Number Registration/ Application Date

N/A

EXHIBIT B

TRADEMARKS

Description

Registration/

Registration/

Application

Application

Number

Date

SEE ATTACHED

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