

11-24-2006

Form PTO-1594 (Rev. 07/05)
OMB Collection 0651-0027 (exp. 6/30)



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

11/20/06

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TRADEMARKS ONLY

NOV 20 AM 11:39

To the Director of the U. S. Patent and Trademark Office: Please record the attached documents or the new address(es) below.

1. Name of conveying party(ies):

SmartDisk Corporation

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

Citizenship (see guidelines) _____

Additional names of conveying parties attached? Yes No

2. Name and address of receiving party(ies)

Additional names, addresses, or citizenship attached? Yes No

Name: Addison Fischer

Internal

Address: _____

Street Address: c/o Fischer International

City: Naples 3073 Horseshoe Dr., #104

State: Florida

Country: USA Zip: 34104

- Association Citizenship _____
- General Partnership Citizenship _____
- Limited Partnership Citizenship _____
- Corporation Citizenship _____
- Other Individual Citizenship U.S.

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)

3. Nature of conveyance /Execution Date(s) :

Execution Date(s) October 17, 2006

- Assignment
- Security Agreement
- Other _____
- Merger
- Change of Name

4. Application number(s) or registration number(s) and identification or description of the Trademark.

A. Trademark Application No.(s)

See Attached Exhibit A

B. Trademark Registration No.(s)

See Attached Exhibit A.

Additional sheet(s) attached? Yes No

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 concerning document should be mailed:

Name: Manuel R. Valcarcel, Esq.

Internal Address: 22nd Floor

Street Address: c/o Greenberg Traurig, P.A.

1221 Brickell Avenue

City: Miami

State: Florida Zip: 33131

Phone Number: 305-579-0812

Fax Number: 305-961-5812

Email Address: Valcarcelm@gtlaw.com

6. Total number of applications and registrations involved:

15

7. Total fee (37 CFR 2.6(b)(6) & 3.41) \$ 390.00

- Authorized to be charged by credit card
- Authorized to be charged to deposit account
- Enclosed

8. Payment Information:

a. Credit Card Last 4 Numbers _____
Expiration Date _____

b. Deposit Account Number 50-1792

Authorized User Name Manuel Valcarcel

9. Signature:

Manuel R. Valcarcel

November 20, 2006

Date

DBYRNE 00000057 501792 3115059 Signature

Total number of pages including cover sheet, attachments, and document: 26

Manuel R. Valcarcel - Reg. No. 41.360

Name of Person Signing

11/22/2006

01 FC:8521
02 FC:8522

40.00 DA
350.00 DA

Documents to be recorded (including cover sheet) should be faxed to (571) 273-0140, or mailed to:
Mail Stop Assignment Recordation Services, Director of the USPTO, P.O. Box 1450, Alexandria, VA 22313-1450

EXHIBIT A

United States Trademark Registrations/Applications

<u>Mark</u>	<u>Registration No.</u>	<u>Application No.</u>
CamaraMate	3,115,059	
FlashPath	2,578,939	
FlashPath	2,427,874	
FlashTrax	2,871,585	
FlashTrax	3,020,388	
FoneMate	3,024,724	
GameMate		78/633,585
ProPix		78/399,618
SimSafe		78/539,061
SmartDisk and Design	2,754,951	
SmartDisk and Design	2,881,483	
SmartDisk FireLite	2,817,935	
Smarty	2,224,709	
VideoSafe	3,130,869	
ZIO		76/022,640

**AMENDED AND RESTATED INTELLECTUAL PROPERTY SECURITY
AGREEMENT**

THIS AMENDED AND RESTATED INTELLECTUAL PROPERTY SECURITY AGREEMENT (this "Agreement") dated as of October 17, 2006 by and between SmartDisk Corporation, a Delaware corporation (the "Grantor") and Addison Fischer, an individual (the "Secured Party").

WITNESSETH:

WHEREAS, the Secured Party is making a loan to the Grantor in the principal sum of \$4,220,000.00 pursuant to the terms and conditions of that certain Fourth Amended and Restated Senior Subordinated Demand Promissory Note dated as of even date herewith (together with the other documents referenced therein, as such may be amended, modified, supplemented or restated hereafter, the "Note"); and

WHEREAS, the obligation of the Secured Party to make such loan is conditioned upon, among other things, the execution and delivery of this Agreement by the Grantor granting to the Secured Party a security interest and lien on all of the Grantor's Intellectual Property (as defined below) having priority over any and all other encumbrances on the Grantor's Intellectual Property except for the security interest in the Intellectual Property currently held by Silicon Valley Bank.

NOW THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties, the Grantor and the Secured Party (and each of their respective successors or assigns), hereby agree as follows:

1. Definitions: As used herein, the following terms shall have the following meanings:

"Copyright(s)" shall mean all copyrights, moral rights, rights of attribution and like protections in a work of authorship or derivative work thereof, whether registered or unregistered and whether published or unpublished, both U.S. and foreign, including, without limitation, those listed on EXHIBIT A annexed hereto and made a part hereof, together with all registrations and recordings thereof and all registration applications for same.

"Copyright Licenses" shall mean all agreements, whether written or oral, providing for the grant by or to the Grantor of any right under any Copyright, including, without limitation, the agreements listed on EXHIBIT A annexed hereto and made a part hereof.

"Copyright Office" shall mean the United States Copyright Office or any other federal governmental agency which may hereafter perform its functions.

"Event of Default" shall mean a breach of the Grantor's obligations hereunder or under the Note.

"Intellectual Property" shall mean all Patents, Trademarks, Copyrights, Licenses, trade secrets, inventions, discoveries, works of authorship, know-how, confidential or proprietary information, technology, customer lists, software and any other intangible rights.

"IP Collateral" shall have the meaning assigned to such term in Section 2 hereof.

"Licenses" shall mean, collectively, the Copyright Licenses, Patent Licenses and Trademark Licenses.

"Patents" shall mean all patents, patent applications, letters patent and applications for letters patent, and the inventions and improvements therein disclosed, both U.S. and foreign, and any and all divisions, reissues, extensions, continuations and continuations-in-part of said letters patent including, without limitation, those listed on EXHIBIT B annexed hereto and made a part hereof.

"Patent Licenses" shall mean all agreements, whether written or oral, providing for the grant by or to the Grantor of any right to manufacture, use or sell any invention covered by a Patent, including, without limitation, the agreements listed on EXHIBIT B annexed hereto and made a part hereof.

"PTO" shall mean the United States Patent and Trademark Office or any other federal governmental agency which may hereafter perform its functions.

"Trademarks" shall mean all trademarks, trade names, entity names, fictitious names, domain names, trade dress, trade styles, service marks, designs, logos and other source or business identifiers, prints and labels on which any of the foregoing may appear, whether registered or unregistered, both U.S. and foreign, including, without limitation, those listed on EXHIBIT C annexed hereto and made a part hereof, together with all common law rights, all registrations and recordings thereof, all applications in connection therewith, and any goodwill of the business connected with, and symbolized by, any of the foregoing.

"Trademark Licenses" shall mean all agreements, whether written or oral, providing for the grant by or to the Grantor of any right to use any Trademark, including, without limitation, the agreements listed on EXHIBIT C annexed hereto and made a part hereof.

2. **Grant of Security Interest:** As security for the payment of all amounts payable pursuant to the Note and performance in full of all obligations thereunder and hereunder, the Grantor hereby grants to the Secured Party a continuing security interest and lien, having priority over all other security interests except for the security interest currently held by Silicon Valley Bank, with power of sale (which power of sale shall be exercisable only following the occurrence of an Event of Default), in all of the present and future right, title and interest of the Grantor in and to the following property, and each item thereof, whether now owned or existing or hereafter acquired or arising anywhere in the world, together with all products, proceeds, substitutions, and accessions of or to any of the following property (collectively, the "IP Collateral"):

- (a) All Intellectual Property.
- (b) All renewals of any of the foregoing.
- (c) All General Intangibles (as defined under the Uniform Commercial Code) connected with the use of, or related to, any and all Intellectual Property (including, without limitation, all goodwill of the Grantor and its business, products and services appurtenant to, associated with, or symbolized by, any and all Intellectual Property and the use thereof).
- (d) All income, royalties, damages and payments now and hereafter due and/or payable under and with respect to any of the foregoing, including, without limitation, payments under all Licenses entered into in connection therewith and damages and payments for past or future infringements or dilutions thereof.
- (e) The right to sue for past, present and future infringements and dilutions of any of the foregoing.
- (f) All proceeds of any of the foregoing.

In addition, with respect to the Copyrights, the Trademarks and the Patents, the Grantor shall, concurrently with execution and delivery of this Agreement, execute in blank and deliver to the Secured Party an Assignment of Copyrights, Assignment of Trademarks and Assignment of Patents in substantially the forms attached hereto as ANNEXES 1-3, respectively. The Grantor hereby authorizes the Secured Party to complete as assignee and record with the Copyright Office or the PTO, as applicable, said assignments upon the occurrence and during the continuance of an Event of Default and the exercise of the Secured Party's remedies under this Agreement and under the Note.

3. Protection of IP Collateral by the Grantor: Except as set forth in this Section 3, the Grantor shall undertake the following with respect to each of the items constituting IP Collateral:

- (a) Pay all renewal fees and other fees and costs associated with maintaining the IP Collateral and with the processing of the IP Collateral and take all other reasonable and necessary steps to maintain each registration of the IP Collateral.
- (b) At the Grantor's sole cost, expense and risk, take all actions reasonably necessary to prevent any of the IP Collateral from becoming forfeited, abandoned, dedicated to the public, invalidated or impaired in any way. The Grantor shall not withdraw or abandon any Patent, Trademark or Copyright, or withdraw or abandon any pending Patent or Trademark Copyright application, or transfer any interest in any of the IP Collateral to any third party, without the prior written consent of the Secured Party, which consent shall not be unreasonably withheld.
- (c) At the Grantor's sole cost, expense, and risk, pursue the prompt, diligent processing of each application for registration which is the subject of the security interest created herein and not abandon or delay any such efforts. The Grantor shall, at the Grantor's sole expense, promptly apply for and obtain all renewals or extensions of the Patents and Trademarks to the full extent permitted by law except to the extent, in the Grantor's reasonable

discretion, exercised in good faith, with prior written notice to and consent from the Secured Party, such renewal or extension is not reasonable, prudent or beneficial to the Grantor or its operations.

- (d) At the Grantor's sole cost, expense, and risk, take any and all action, which is reasonably necessary to protect the IP Collateral from infringement, misappropriation or dilution, including, without limitation, policing its rights and prosecution and defense of infringement actions.

4. Grantor's Representations and Warranties: The Grantor represents and warrants that:

- (a) EXHIBIT A is a true, correct and complete list of all Copyrights and Copyright Licenses owned by the Grantor as of the date hereof, all of which are subsisting, valid and enforceable. All Copyright Licenses which are material to the operation of the Grantor's business are indicated with an asterisk on EXHIBIT A and copies of same have been delivered to the Secured Party.
- (b) EXHIBIT B is a true, correct and complete list of all Patents and Patent Licenses owned by the Grantor as of the date hereof, all of which are subsisting, valid and enforceable. All Patent Licenses which are material to the operation of the Grantor's business are indicated with an asterisk on EXHIBIT B and copies of same have been delivered to the Secured Party.
- (c) EXHIBIT C is a true, correct and complete list of all Trademarks and Trademark Licenses owned by the Grantor as of the date hereof, all of which are subsisting, valid and enforceable. All Trademark Licenses which are material to the operation of the Grantor's business are indicated with an asterisk on EXHIBIT C and copies of same have been delivered to the Secured Party.
- (d) Except as set forth in EXHIBITS A, B and C, none of the IP Collateral is the subject of any licensing or franchise agreement pursuant to which the Grantor is the licensor or franchisor.
- (e) All IP Collateral is, and shall remain, free and clear of all liens, security interests or other encumbrances of any kind in favor of any third party, other than encumbrances in favor of the Secured Party and the security interest currently held by Silicon Valley Bank.
- (f) The Grantor owns, or is licensed to use, all Intellectual Property necessary for the conduct of the Grantor's business as currently conducted. The Grantor is the sole and exclusive owner of all rights in and to the IP Collateral listed in the attached EXHIBITS A, B and C indicated as owned rather than licensed, and no employee, independent contractor or other third party has any interest in any of same except as specified in EXHIBITS A, B and C. No material claim has been asserted and is pending by any third party challenging or questioning the use by the Grantor of any of such Intellectual Property or the validity or effectiveness of any of such Intellectual Property, nor does the Grantor know of any valid basis for any such claim. The Grantor shall have the duty to promptly notify the Secured Party of any such claim or infringement and

the details thereof. To the Grantor's knowledge, none of the IP Collateral nor use of any of same infringes the rights of any third party and no third party is infringing any of the IP Collateral. No holding, decision or judgment has been rendered by any governmental authority which would limit, cancel or question the validity of, or the Grantor's rights in, any of the IP Collateral in any respect that could reasonably be expected to have a material adverse effect on the business or the property of the Grantor.

- (g) The Grantor shall give the Secured Party written notice (with reasonable detail) within ten (10) calendar days after the end of each calendar quarter following the occurrence of any of the following:
 - (i) The Grantor's acquiring ownership of, or filing applications for registration of, any new Intellectual Property, or otherwise obtaining rights to any additional Intellectual Property.
 - (ii) The Grantor's becoming entitled to the benefit of any Intellectual Property whether as licensee or licensor.
 - (iii) The Grantor's agreeing to any amendment to any License.
 - (iv) The Grantor's knowing or having reason to know, that any application or registration relating to any of the IP Collateral may become forfeited, abandoned or dedicated to the public, or of any adverse determination or development (including, without limitation, the institution of, or any such determination or development in, any proceeding in the PTO, the Copyright Office or any court or tribunal) regarding the Grantor's ownership of, or the validity of, any of the IP Collateral or the Grantor's right to register or own and maintain same.
- (h) The execution, delivery and performance of this Agreement has been duly authorized by all necessary corporate or other action and do not contravene any law, rule, regulation or any judgment, decree or order of any tribunal or any agreement to which the Grantor is a party or by which any of its property is bound. The execution, delivery, performance and enforcement of this Agreement shall not violate any covenant, restriction or other term in any agreement with any third party, or require any third party consent.

5. Agreement Applies to Future Intellectual Property; Security Interest Perfection With Respect to All Existing and Future IP Collateral:

- (a) The provisions of this Agreement shall automatically apply to any such additional property or rights described in Section 4(g), above, all of which shall be deemed to be and treated as "IP Collateral" within the meaning of this Agreement.
- (b) Upon the request of the Secured Party, the Grantor shall execute and deliver, and have recorded, any and all agreements, instruments, documents and papers as the Secured Party may request to evidence the Secured Party's security interest and lien in any of the IP Collateral

(including, without limitation, filings of financing statements or other documents with the Delaware Secretary of State, and recordal of this Agreement or other documents at the PTO, the Copyright Office or any similar office), and the Grantor hereby constitutes and appoints the Secured Party as its attorney-in-fact to execute and file all such writings for the foregoing purposes pursuant to Section 9 below; provided, however, the Secured Party's taking of such action shall not be a condition to the creation or perfection of the security interest created hereby. Notwithstanding the foregoing, the Grantor authorizes the Secured Party to modify this Agreement, without the necessity of any further approval or signature from the Grantor, by amending EXHIBITS A, B or C to include any such additional property or rights described in Section 4(g), above.

6. Grantor's Rights to Enforce the IP Collateral: Prior to the occurrence of an Event of Default, the Grantor shall have the exclusive right to sue for past, present and future infringement of the IP Collateral including the right to seek injunctions and/or money damages, in an effort by the Grantor to protect the IP Collateral against encroachment by third parties, provided, however:

- (a) The Grantor first provide the Secured Party with written notice of the Grantor's intention to so sue for enforcement of any IP Collateral.
- (b) Any money damages awarded or received by the Grantor on account of such suit (or the threat of such suit) shall constitute IP Collateral and shall be applied toward payment of the amounts owed to the Secured Party.

7. Secured Party's Actions to Protect the IP Collateral: In the event of (a) the Grantor's failure to cure any failure by the Grantor to perform any of the Grantor's obligations hereunder; and/or (b) the occurrence and continuance of any Event of Default, the Secured Party, acting in its own name or in that of the Grantor, may (but shall not be required to) act in the Grantor's place and stead and/or in the Secured Party's own right in connection therewith. In the event of any material infringement by a third party of any of the IP Collateral, the Grantor shall promptly notify the Secured Party of such infringement and shall take all reasonably necessary actions to obtain the cessation of such infringement and recover all damages resulting therefrom, including, after and during the continuance of an Event of Default, such action as the Secured Party deems reasonably necessary. If the Grantor shall fail to take such action within fourteen (14) calendar days after such notice is given to the Secured Party, the Secured Party may upon notice to the Grantor, but shall not be required to, itself take such action in the name of the Grantor, and the Grantor hereby appoints the Secured Party the true and lawful attorney-in-fact of the Grantor pursuant to Section 9 below to commence and pursue judicial proceedings in any court or before any other tribunal to enjoin and recover damages for such infringement, any such damages due to the Grantor, net of costs and attorneys' fees reasonably incurred, to be applied to the reduce the amounts owed by the Grantor to the Secured Party under the Note or any other agreement between the Grantor and the Secured Party.

8. **Rights upon Default:** Upon the occurrence of any Event of Default or any breach of any representation, warranty or obligation hereunder by the Grantor, the Secured Party may exercise all rights and remedies of a secured party upon default under the Uniform Commercial Code as adopted in the State of Florida, with respect to the IP Collateral, in addition to which the Secured Party may sell, license, assign, transfer, or otherwise dispose of, use or otherwise exploit the IP Collateral in whole or in part as the Secured Party determines in its sole and absolute discretion. Any person may conclusively rely upon an affidavit of an officer of the Secured Party that an Event of Default has occurred and that the Secured Party is authorized to exercise such rights and remedies. The Secured Party shall give to the Grantor at least ten (10) days' prior written notice (which the Grantor agrees is "reasonable notification" under the Uniform Commercial Code) of the time and place of any public sale of the IP Collateral or of the time after which any private sale or any other intended disposition is to be made. To the extent permitted by applicable law, the Grantor hereby waives any and all rights that it may have to judicial hearing in advance of the enforcement of any of the Secured Party's rights hereunder, including, without limitation, its rights following any Event of Default to take immediate possession of the IP Collateral and exercise its rights with respect thereto.

The Secured Party shall not be required to marshal any present or future security for including, but not limited to, this Agreement and the IP Collateral, or guaranties of repayment of any amounts owed to the Secured Party or any of them, or to resort to such security or guaranties in any particular order; and all of the rights hereunder and in respect of such security and guaranties shall be cumulative and in addition to all other rights, however existing or arising. To the extent that it lawfully may, the Grantor hereby agrees that it will not invoke any law relating to the marshalling of collateral which might cause delay in or impede the enforcement of the Secured Party's rights under this Agreement or any other instrument evidencing any of the amounts owed and any other obligations of the Grantor to the Secured Party or by which any of same is secured or guaranteed, and to the extent that it lawfully may, the Grantors hereby irrevocably waives the benefits of all such laws.

9. **Secured Party as Attorney-In-Fact:**

- (a) The Grantor hereby irrevocably constitutes, appoints and designates the Secured Party as the Grantor's attorney-in-fact:
 - (i) To exercise any of the rights and powers referenced herein.
 - (ii) To execute all such instruments, documents, and papers as the Secured Party determines to be appropriate in connection with the exercise of such rights and remedies and to cause the sale, license, assignment, transfer, or other disposition of the IP Collateral.
- (b) The within grant of a power of attorney, being coupled with an interest, shall be irrevocable until this Agreement is terminated by a duly authorized officer of the Secured Party.

- (c) The Secured Party shall not be obligated to do any of the acts or to exercise any of the powers authorized by Section 9(a), but if the Secured Party elects to do any such act or to exercise any of such powers, it shall not be accountable for more than it actually receives as a result of such exercise of power, and shall not be responsible to the Grantor for any act or omission to act except for any act or omission to act as to which there is a final determination made in a judicial proceeding (in which proceeding the Secured Party has had an opportunity to be heard) which determination includes a specific finding that the subject act or omission to act had been grossly negligent or in actual bad faith.

10. Secured Party's Rights: Any use by the Secured Party of the IP Collateral as authorized hereunder in connection with the exercise of the Secured Party's rights and remedies under this Agreement and under the Note, shall be at least coextensive with the Grantor's rights thereunder and with respect thereto and without any liability for royalties or other related charges.

11. Further Assurances: The Grantor shall, at the Grantor's sole expense, do, make, execute and deliver all such additional and further acts, things, deeds, assurances, and instruments, in each case in form and substance reasonably satisfactory to the Secured Party, relating to the creation, validity, or perfection of the security interests and assignments provided for in this Agreement the Uniform Commercial Code or other laws of the United States or the States of Delaware and Florida or of any other countries or states as the Secured Party may from time to time reasonably request, and shall take all such other action as the Secured Party may reasonably require to more completely vest in and assure to the Secured Party its rights hereunder or in any of the IP Collateral, and the Grantor hereby irrevocably authorizes the Secured Party or its designee, at the Grantor's expense, to execute such documents, and file such financing statements with respect thereto with or without the Grantor's signature, as the Secured Party may deem appropriate; provided that the Secured Party shall deliver to the Grantor copies of all such financing statements and shall terminate at the Secured Party's expense all such filings made in error. In the event that any rerecording or refileing (or the filing of any statement of continuation or assignment of any financing statement) or any repledge or reassignment, or any other action, is required at any time to protect and preserve such security interest and assignments, the Grantor shall, at its sole cost and expense, cause the same to be done or taken at such time and in such manner as may be reasonably necessary and as may be reasonably requested by the Secured Party. In fulfilling its responsibility for the prosecution, defense, enforcement or any other necessary or desirable actions in connection with the IP Collateral, the Grantor shall hold the Secured Party and its affiliates and their respective officers, directors, managers, members, shareholders and representatives harmless from any and all costs, damages, liabilities and expenses that may be incurred by any of them in connection with the Secured Party's interest in the IP Collateral or any other action or failure to act in connection with this Agreement or the transactions contemplated hereby.

12. Waivers: Except for notices specifically provided for herein, the Grantor hereby expressly waives demand, notice, protest, notice of acceptance of this Agreement,

notice of loans made, credit extended, collateral received or delivered or other action taken in reliance hereon and all other demands and notices of any description. With respect both to the amounts owed to the Secured Party and any of the IP Collateral, the Grantor assents to any extension or postponement of the time of payment or any other indulgence, to any substitution of any party or person primarily or secondarily liable, to the acceptance of partial payment thereon and the settlement, compromising or adjusting of any thereof, all in such manner and at such time or times as the Secured Party may deem advisable. The Secured Party shall not have any duty as to the protection of the IP Collateral or any income thereon, nor as to the preservation or rights against prior parties, nor as to the preservation of any rights pertaining thereto. The Secured Party may exercise its rights with respect to the IP Collateral without resorting or regard to other collateral or sources of reimbursement for liability. The Secured Party shall not be deemed to have waived any of its rights unless such waiver be in writing and signed by the Secured Party. No delay or omission on the part of the Secured Party in exercising any right shall operate as a waiver of any right on any future occasion. All rights and remedies of the Secured Party with respect to the amounts owed to the Secured Party and/or the IP Collateral, whether evidenced hereby or by any other instrument or papers, shall be cumulative and may be exercised singularly or concurrently.

13. Releases: The Grantor and the Secured Party may from time to time agree in writing to the release of certain of the IP Collateral from the security interest created hereby.

14. Miscellaneous:

(a) The Grantor shall hold the Secured Party harmless from any and all costs, damages and expenses which may be incurred by the Secured Party or the Grantor in connection with any action or failure to act by the Secured Party or the Grantor in connection with this Agreement.

(b) THIS AGREEMENT AND ALL RIGHTS AND OBLIGATIONS HEREUNDER, INCLUDING MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE UNITED STATES, AND, TO THE EXTENT THAT THE LAWS OF THE UNITED STATES ARE NOT APPLICABLE, BY AND WITH THE LAWS OF THE STATE OF FLORIDA (WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAWS). The Grantor agrees that any suit for the enforcement of this Agreement may be brought in the courts of the State of Florida located in Collier County or the federal courts located in the Southern District of Florida, and irrevocably consents to the exclusive jurisdiction of such courts and to service of process in any such suit being made upon the Grantor by mail at the address specified for the Grantor on the signature page of this Agreement.

(c) All notices hereunder shall be in writing and shall be given by first class U.S. Mail or by courier to the address for the intended recipient indicated on the signature page of this Agreement. Notices shall be effective three (3) days after being deposited in the U.S. Mail for first class delivery, or on the date delivered if sent by courier.

(d) When all amounts and other obligations owed by the Grantor to the Secured Party have been paid, performed and indefeasibly discharged in full, this Agreement shall terminate, and the Secured Party shall, upon request and at the Grantor's expense, execute all such documentation necessary to release its security interest hereunder.

(e) Neither this Agreement nor any term hereof may be changed, waived, discharged or terminated except by a written instrument expressly referring to this Agreement and to the provisions so modified or limited, and executed by all the parties hereto.

(f) Neither this Agreement nor any of the obligations of the Grantor hereunder may be assigned or delegated without the prior written consent of the Secured Party. The Secured Party may freely assign this Agreement. This Agreement and all obligations of the Grantor shall be binding upon the successors and permitted assigns of the Grantor, and shall, together with the rights and remedies of the Secured Party hereunder, inure to the benefit of the Secured Party and its successors and assigns. If any term of this Agreement shall be held by a court of competent jurisdiction to be invalid, illegal or unenforceable, the validity of all other terms hereof shall be in no way affected thereby, the provision held to be invalid, illegal or unenforceable shall if possible be modified to the extent needed to become valid, legal and enforceable, and the provision as modified together with the remainder of this Agreement shall be construed and be enforceable as if such invalid, illegal or unenforceable term had not been included herein.

(g) THE GRANTOR AND THE SECURED PARTY MUTUALLY HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT TO A TRIAL BY JURY IN RESPECT OF ANY CLAIM BASED HEREON, ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER DOCUMENT CONTEMPLATED TO BE EXECUTED IN CONNECTION HERewith OR ANY COURSE OF CONDUCT, COURSE OF DEALINGS, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY. THIS WAIVER CONSTITUTES A MATERIAL INDUCEMENT FOR THE SECURED PARTY TO ENTER INTO THIS AGREEMENT AND MAKE THE LOAN UNDER THE NOTE. Except as prohibited by law, the Grantor waives any right which it may have to claim or recover in any litigation referred to in the first sentence of this Section 14 any special, exemplary, punitive or consequential damages or any damages other than, or in addition to, actual damages. The Grantors certifies that neither the Secured Party nor any representative of the Secured Party or attorney of the Secured Party has represented, expressly or otherwise, that the Secured Party would not, in the event of litigation, seek to enforce the foregoing waivers and acknowledges that, in entering into the Note and the other agreements and instruments referenced therein to which the Secured Party is a party, the Secured Party is relying upon, among other things, the waivers and certifications in this Section 14.

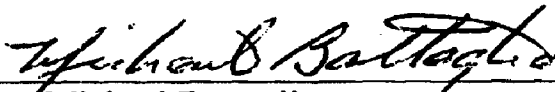
(h) This Agreement amends, restates and replaces that certain Intellectual Property Security Agreement dated as of October 4, 2006 by and among the Grantor and the Secured Party.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Grantor and the Secured Party have executed this Agreement as of the date first above written.


GRANTOR:

SMARTDISK CORPORATION,
a Delaware corporation

By: 
Name: Michael Battaglia
Title: Chief Executive Officer

Address: 12780 Westlinks Drive
Fort Myers, Florida 33913-8019

SECURED PARTY:

ADDISON FISCHER


Address: c/o Fischer International
P.O. Box 9107
Naples, Florida 34101-9107

EXHIBIT A

List of Copyrights and Copyright Licenses

None.

EXHIBIT B

List of Patents and Patent Licenses

U.S. PATENTS IN THE NAME OF SMARTDISK CORP. as of May 18, 2006

<u>N&V REF.</u>	<u>APP NO.</u>	<u>GRANT NO.</u>	<u>GRANT DATE</u>
2694-0053	07448093	5,159,182	10/27/1992
2694-0116	07869784	5,338,923	08/16/1994
2694-0072	07712897	5,457,590	10/10/1995
2694-0105	08211488	5,471,038	11/28/1995
2694-0094	08170166	5,584,043	12/10/1996
2694-0026	09092003	5,988,512	11/23/1999
2694-0014	09339680	6,015,093	01/18/2000
2694-0041	09338522	6,039,260	03/21/2000
2694-0009	08514382	6,042,009	03/28/2000
2694-0020	08867496	6,089,459	07/18/2000
2694-0011	07021986	6,189,055	02/13/2001
2694-0177	09412072	6,315,207	11/13/2001
2694-0035	09333997	6,325,291	12/04/2001
2694-0187	09512328	6,340,117	01/22/2002
2694-16	09149448	6,658,202	12/03/2003
2694-19	08420796	6,722,570	04/20/2004
--	09615838	6,987,927	01/17/2006
--	D152119	D468,309	01/07/2003

WORLDWIDE PATENTS IN THE NAME OF SMARTDISK CORP. as of May 18, 2006

<u>EC</u>	<u>IPC</u>	<u>Publication Info</u>
--	G06F12/14; G06F3/00; G06F9/24	US2006095647 – 2006-05-04
--	H04N5/225; H04N5/225	US6987927 – 2006-01-17
H04N1/21C	H04N1/21; (IPC1-7): H04N5/76	US2004057702 – 2004-03-25
--	--	USD468309S – 2003-01-07
G06F17/30E; H04L29/06C2	G06F17/30; H04L29/06; G06F17/30	WO02079902 – 2002-10-10
G11C7/16	G11C7/16; G11C7/00; (IPC1-7):G06F3/08	JP2002082777 – 2002-03-22
G06F17/30E	G06F17/30; H04N7/173	WO0182624 – 2001-11-01
G06F17/30E	G06F17/30; (IPC1-7):G06F17/00	US2001056434 – 2001-12-27
G06F17/30E; H04L29/06C2	G06F17/30; H04L29/06; G06F17/30	US2002180803 – 2002-12-05
G06K7/00K; G06K7/08C6	G06K7/00; G06K7/08; G06K19/077	US6340117 – 2002-01-22

EXHIBIT C

List of Trademarks and Trademark Licenses as of May 18, 2006

<u>Mark</u>	<u>Country</u>	<u>Application Serial No. / Registration No.</u>
CameraMate	United States	78424170 – allowed 6/21; extension granted 11/15/05
Dazzle	United States	Licensed until June 2006 from Pinnacle Systems - 2272182
FlashPath	Canada	847,134
	China	1209086
	European Union	000534412
	Japan	4457798
	United States	2,578,939
	United States	2,427,874
FlashTrax	United States	2871585
	United States	3020388
	Canada	562,125
	Canada	646,145
	European Union	3167384
	European Union	1602663
FoneMate	United States	3024724
GameMate	United States	78633585 – filed 5/27/05
ProPix	United States	Suspended May 2, 2005
SimSafe	United States	78539061 – allowed mid Nov
SmartDisk	Canada	583,015
	Spain	2464539
SmartDisk (Logo)	Japan	4441129
SmartDisk (wordmark)	France	023165687
SmartDisk and Design	United States	2,754,951
	United States	2,881,483
SmartDisk FireLite	United States	2,817,935
Smarty	United States	2,224,709
	Canada	523,783
Video Safe	United States	78477964 – allowed late Oct
ZIO	United States	76022640

ANNEX 1

ASSIGNMENT OF COPYRIGHTS

WHEREAS, SmartDisk Corporation, a Delaware corporation, having a principal place of business and its chief executive offices at _____ ("Assignor"), wishes to assign to Assignee, and Addison Fischer, an individual ("Assignee"), wishes to acquire from Assignor, all of the Assignor's rights, title and interest in and to all of the works of authorship, including all copyrights thereto, as further described on Schedule A attached hereto (collectively, the "Copyrights").

NOW, THEREFORE, in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor hereby sells, assigns, transfers and sets over to Assignee all of Assignor's entire right, title and interest in and to the Copyrights for the United States and all foreign countries, including, without limitation, any registrations and applications therefor, any renewals and extensions of the registrations, all of the exclusive rights listed in 17 U.S.C. § 106 and all other corresponding rights that are or may be secured under the laws of the United States or any foreign country, now or hereafter in effect), together with all physical or tangible embodiments of the Copyrights in Assignor's possession or under Assignor's control, for Assignee's own use and enjoyment, and for the use and enjoyment of Assignee's successors, assigns or other legal representatives, at least as fully and entirely as the same would have been held and enjoyed by Assignor if this Assignment had not been made, and all income, royalties, damages or payments due or payable as of the Effective Date or thereafter, including, without limitation, all claims for damages by reason of past, present or future infringement or other unauthorized use of the Copyrights, with the right to sue for and collect the same for Assignee's own use and enjoyment, and for the use and enjoyment of Assignee's successors, assigns or other legal representatives.

This Assignment of Copyrights is intended to and shall take effect as a sealed instrument at such time as Assignee shall complete this instrument by signing its acceptance of this Assignment below.

Assignor hereby authorizes and requests the Register of Copyrights of the United States, and the corresponding entity or agency in any applicable foreign country, to record Assignee as Assignee and owner of the Copyrights.

IN WITNESS WHEREOF, the Assignor, by its duly authorized officer,
has executed this assignment on this _____ day of _____, 2006.

SmartDisk Corporation,
a Delaware corporation

By: _____
Name: _____
Title: _____

STATE OF FLORIDA)
) ss.
COUNTY OF COLLIER)

On this the _____ day of _____, 2006, before me appeared
_____, the person who signed this instrument, who is
personally known to me or has produced _____ as identification, and who
acknowledged that (s)he is the _____ of SmartDisk
Corporation and that being duly authorized (s)he signed such instrument as a free act on
behalf of SmartDisk Corporation.

Notary Public
My commission expires:

The foregoing Assignment of Copyrights is hereby accepted as of the _____ day of
_____, 200__.

ADDISON FISCHER

SCHEDULE A
COPYRIGHTS

ANNEX 2

ASSIGNMENT OF TRADEMARKS

WHEREAS, SmartDisk Corporation, a Delaware corporation, having a principal place of business and its chief executive offices at _____ (the "Assignor"), has adopted and used and is using the trademarks and service marks (the "Marks") identified on Schedule A attached hereto, and is the owner of the registrations of and pending registration applications for such Marks in the United States Patent and Trademark Office identified on such Schedule A; and

WHEREAS, Addison Fischer, an individual (the "Assignee"), is desirous of acquiring the Marks and the registrations thereof and registration applications therefor.

NOW, THEREFORE, in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration, receipt and sufficiency of which are hereby acknowledged, the Assignor does hereby assign, sell and transfer unto the Assignee all right, title and interest in and to the Marks, together with (a) the registrations of and registration applications for the Marks, (b) all common law rights and the goodwill of the business symbolized by and associated with the Marks and the registrations thereof, and (c) all income, royalties, damages or payments due or payable as of the Effective Date and the right to sue and recover for, and the right to profits or damages due or accrued arising out of or in connection with, any and all past, present or future infringements or dilution of or damage or injury to the Marks or the registrations thereof or such associated goodwill together with all physical or tangible embodiments of the Trademarks in Assignor's possession or under Assignor's control, for Assignee's own use and enjoyment, and for the use and enjoyment of Assignee's successors, assigns or other legal representatives, at least as fully and entirely as the same would have been held and enjoyed by Assignor if this Assignment had not been made.

This Assignment of Trademarks is intended to and shall take effect as a sealed instrument at such time as the Assignee shall complete this instrument by signing its acceptance of this Assignment below.

IN WITNESS WHEREOF, the Assignor, by its duly authorized officer, has executed this assignment on this _____ day of _____, 2006.

SmartDisk Corporation,
a Delaware corporation

By: _____
Name: _____
Title: _____

STATE OF FLORIDA)
) ss.
COUNTY OF COLLIER)

On this the ____ day of _____, 2006, before me appeared _____, the person who signed this instrument, who is personally known to me or who produced identification, and who acknowledged that (s)he is the _____ of SmartDisk Corporation and that being duly authorized (s)he signed such instrument as a free act on behalf of SmartDisk Corporation.

Notary Public
My commission expires:

The foregoing Assignment of Trademarks is hereby accepted as of the ____ day of _____, 200_.

ADDISON FISCHER

SCHEDULE A
TRADEMARKS

TRADEMARK FILINGS

MARK _____ **APPLICATION SERIAL NO./REGISTRATION NO.**

ANNEX 3

ASSIGNMENT OF PATENTS

WHEREAS, SmartDisk Corporation, a Delaware corporation having a principal place of business and its chief executive offices at _____ (the "Assignor"), owns the patents, patent applications and related patent property (the "Patents") identified on Schedule A attached hereto; and

WHEREAS, Addison Fischer, an individual (the "Assignee"), is desirous of acquiring the Patents.

NOW, THEREFORE, in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration, receipt and sufficiency of which are hereby acknowledged, the Assignor does hereby assign, sell and transfer unto the Assignee all right, title and interest in and to the Patents and to any and all continuations, continuations in-part, divisions, patents of addition, renewals, extensions, foreign counterparts, utility models, reexaminations and reissues of any of said Patents for the full term thereof, this assignment including the Assignor's entire right to bring suit and recover damages for past infringement of any of said Patents and to assert any claim, action or cause of action that may have arisen prior to the date of this assignment or thereafter under any of said Patents and all income, royalties, damages or payments due or payable as of the Effective Date together with all physical or tangible embodiments of the Copyrights in Assignor's possession or under Assignor's control, for Assignee's own use and enjoyment, and for the use and enjoyment of Assignee's successors, assigns or other legal representatives, at least as fully and entirely as the same would have been held and enjoyed by Assignor if this Assignment had not been made.

This Assignment of Patents is intended to and shall take effect as a sealed instrument at such time as the Assignee shall complete this instrument by signing its acceptance of this Assignment of Patents below.

IN WITNESS WHEREOF, the Assignor, by its duly authorized officer, has executed this assignment on this _____ day of _____, 2006.

SmartDisk Corporation,
a Delaware corporation

By: _____
Name: _____
Title: _____

STATE OF FLORIDA)
) ss.
COUNTY OF COLLIER)

On this the ____ day of _____, 2006, before me appeared _____, the person who signed this instrument, who is personally known to me or who produced identification, and who acknowledged that (s)he is the _____ of SmartDisk Corporation and that being duly authorized (s)he signed such instrument as a free act on behalf of SmartDisk Corporation.

Notary Public
My commission expires

The foregoing assignment of the Patents by the Assignor to the Assignee is hereby accepted as of the ____ day of _____, 200__.

ADDISON FISCHER

SCHEDULE A
PATENTS

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