



To the Honorable Commissioner of

ginal documents or copy thereof.

1. Name of conveying party(ies):  
SOUTHWALL TECHNOLOGIES INC.

Individual(s) citizenship:  
Association:  
General Partnership:  
Limited Partnership:  
Corporation - State: DELAWARE

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

3. Nature of Conveyance:  
 Assignment  Merger  
 Security Agreement  Change of Name  
 Other

Execution Date: June 30, 1999

101586092

Receiving party(ies):  
Name: PACIFIC BUSINESS FUNDING  
Address: 20195 STEVENS CREEK BLVD., SUITE 220  
City: CUPERTINO State: CA Zip: 95014

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

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

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

A. Trademark Application No.(s)  
B. Trademark Registration No.(s)  
SEE ATTACHED

Additional numbers attached?  Yes  No

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

Name: Evelyn G. Santiago  
Internal Address: **GRAY CARY WARE & FREIDENRICH**  
400 Hamilton Avenue  
Palo Alto, California 94301

6 Total number of applications and registrations involved: 14

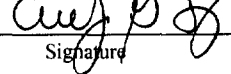
7. Total fee (37 CFR 3.41) . . . . . \$365.00  
 Enclosed  
 Authorized to be charged to deposit account

8. Deposit account number: \_\_\_\_\_  
(Attach duplicate copy of this page if paying by deposit account)

DO NOT USE THIS SPACE

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.

Evelyn G. Santiago  January 17, 2001  
Name of Person Signing Signature Date

Total number of pages comprising cover sheet: [7]

Mail Documents to be recorded with required cover sheet information to:  
U.S. Patent and Trademark Office, Office of Public Records  
1213 Jefferson Davis Highway, 3rd Floor  
Arlington, VA 22202

01/18/2001 DNGUYEN 0000205 2001973

01 FC:481 40.00 OP  
02 FC:482 325.00 OP

Trademarks

<u>Description</u>	<u>Registration/ Serial No.</u>	<u>Registration/ Application Date</u>
Solis	2,001,973	09/17/96
Heat mirror (and design)	1,826,355	03/15/94
California series (and design)	1,854,671	09/20/94
Superglass system (and design)	1,771,477	05/18/93
California series	1,886,789	03/28/95
Heatseal (and design)	1,897,701	10/12/93
Southwall	1,713,655	09/08/92
XIR	1,642,446	04/23/91
XUV	1,582,540	02/13/90
Superglass	1,574,066	12/26/89
Etch-a-flex	1,494,962	07/05/88
Southwall Technologies	1,385,005	03/04/86
Southwall Technologies	1,400,946	07/15/86
(Design only)	1,392,171	05/06/86

INTELLECTUAL PROPERTY SECURITY AGREEMENT

This Intellectual Property Security Agreement is entered into as of June 30, 1999 by and between PACIFIC BUSINESS FUNDING ("PBF") and SOUTHWALL TECHNOLOGIES INC. ("Grantor").

RECITALS

A. PBF 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 \_\_\_\_\_ Receivables Financing Agreement by and between PBF and Grantor dated June 30, 1999 (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). PBF is willing to make the Loans to Grantor, but only upon the condition, among others, that Grantor shall grant to PBF a security interest in certain Copyrights, Trademarks and Patents to secure the obligations of Grantor under the Loan Agreement.

B. Pursuant to the terms of the Loan Agreement, Grantor has granted to PBF 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 PBF a security interest in all of Grantor's right, title and interest in, to and under all of its personal property, now existing or hereafter arising (including without limitation those Copyrights, Patents and Trademarks listed on Schedules A, B and C 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 PBF under the Loan Agreement. The rights and remedies of PBF 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 PBF as a matter of law or equity. Each right, power and remedy of PBF provided for herein or in the Loan Agreement of 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 PBF 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 PBF, 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.

GRANTOR:

Address of Grantor:

By: Billy R. Fuly  
Title: Vice President and CFO

Address of Bank:

PBFC:  
Pacific Business Funding  
By: [Signature]  
Title: EVP

EXHIBIT A

EXHIBIT A

Copyrights

Title	Registration Number	Registration Date
Thin film products for the energy and electronics markets	TX4618394	06/19/97

EXHIBIT B

Patents

Description	Registration/ Serial No.	Registration/ Application Date
Double-Sided reflector films	5,840,161	11/24/98
Thermally insulating multipane glazing structure	5,784,853	07/28/98
Method of making antireflective coatings	5,783,049	07/21/98
Multiple layer thin films with improved corrosion resistance	5,763,063	06/09/98
Antireflective coatings comprising a lubricating layer having a specific surface energy	5,744,227	04/28/98
Metal on plastic films with adhesion-promoting layer	5,589,280	12/31/96
Thermally insulating multipane glazing structure	5,444,465	08/13/96
Multiple layer thin films with improved corrosion resistance	5,510,173	04/23/96
Antireflection coatings	5,494,743	02/27/96
Method of patterning magnetic members	5,399,372	03/21/95
Window Construction with UV protecting treatment	5,308,662	05/03/94
Low transmission heat-reflective glazing materials	5,306,547	04/26/94
Lighting fixture reflector containing ultraviolet absorber	5,251,064	10/05/93
High performance, thermally insulating multipane glazing structure	5,156,894	10/20/92
Color-corrected heat-reflecting composite films and glazing products containing the same	5,071,206	12/10/91
Perforated glue through films	4,954,383	09/04/90
EMI/RFI shield for visual display terminals	4,910,090	03/20/90
Bronze-grey glazing film and window made therefrom	4,861,680	08/29/89
Curved triple-pane glazing	4,853,264	08/01/89
Apparatus for obtaining transverse uniformity during thin film deposition on extended substrate	4,849,087	07/18/89
High resistivity chromium silicide films	4,846,949	07/11/89
Heat reflecting composite films and glazing products containing the same	4,799,745	01/24/89
Transparent touch panel switch	4,786,767	11/22/88
Multiple pane glass unit with electrically conductive transparent film for use as radiation shield	4,721,636	01/26/88
Multiple pane glass unit with electrically conductive transparent file for use as radiation shield	4,613,530	09/23/86

EXHIBIT C

Trademarks

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400 Hamilton Avenue  
Palo Alto, CA 94301-1809  
[www.graycary.com](http://www.graycary.com)

O] 650-833-1566  
F] 650-328-3029

January 17, 2001

**VIA FEDEX**

U.S. Patent and Trademark Office  
Office of Public Records  
1213 Jefferson Davis Highway, 3rd Floor  
Arlington, VA 22202

**Re: Grantor: Southwall Technologies Inc.**  
**Secured Party: Pacific Business Funding**

Dear Sir or Ms.:

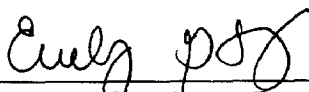
Enclosed please find the following documents:

1. Recordation Form Cover Sheet for Trademarks only;
2. Intellectual Property Security Agreement between Southwall Technologies Inc. and Pacific Business Funding; and
3. A self-addressed postage paid postcard for your use to indicate receipt of the enclosed documents.

Also included is a check to cover the required recordation fees. After the security interest has been recorded, please return the original Notice of Recordation to me at the above-listed address.

Sincerely,

GRAY CARY WARE & FREIDENRICH LLP



Evelyn G. Santiago, Paralegal

Enclosures:

cc: Mr. Kevin O'Hare (w/enclosures)  
John B. Hale, Esq. (w/o enclosures)

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