

09-05-2001

VER SHEET ONLY

OMB No. 0651-0011 (exp. 4/94)

Tax settings = 000



101833765

of the attached original documents or copy thereof.

1. Name of conveying party(ies):

Hypercom Corporation & its Subsidiaries

- Individual(s), Association, General Partnership, Limited Partnership, Corporation-State (See attached Exhibit A), Other

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

3. Nature of conveyance:

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

Execution Date: July 31, 2001

2. Name and address of receiving party(ies)

Name: Foothill Capital Corporation

Internal Address: Suite 3000-W

Street Address: 2450 Colorado Avenue

City: Santa Monica State: CA ZIP: 90404

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

If assignee is not domiciled in the United States, a domestic representative design is attached: n/a Yes No (Designations must be a separate document from assignment) Additional name(s) & address(es) attached? Yes No n/a

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

A. Trademark Application No.(s)

Please see attached Schedule A

B. Trademark Registration No.(s)

Please see attached Schedule B

Additional numbers attached? Yes No

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

Name: Kate Gregor

Internal Address: Brobeck Phleger & Harrison Suite 2100

Street Address: 550 South Hope Street

City: Los Angeles State: CA ZIP: 90071

6. Total number of applications and registrations involved: 36

7. Total fee (37 CFR 3.41): \$ 915.00

- Enclosed, Authorized to be charged to deposit account

8. Deposit account number: N/A

(Attach duplicate copy of this page if paying by deposit account)

DO NOT USE THIS SPACE

09/04/2001 TB1A21 00000105 1797642

01 FCT401 02 FST402

Signature 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.

Kate Gregor Name of Person Signing

Signature

8/14/01 Date

Total number of pages including cover sheet, attachments, and document: 33

Mail documents to be recorded with required cover sheet information to: Commission of Patents & Trademarks, Box Assignments

**EXHIBIT A TO PATENT & TRADEMARK SECURITY AGREEMENT**

*List of Additional Conveying Parties*

<u>Name of Entity</u>	<u>State of Jurisdiction</u>
<b>HYPERCOM (ARIZONA), INC.</b>	Arizona
<b>HYPERCOM MANUFACTURING RESOURCES, INC.</b>	Arizona
<b>HYPERCOM U.S.A., INC.</b>	Delaware
<b>HYPERCOM HORIZON, INC.</b>	Missouri
<b>EPICNETZ, INC.</b>	Nevada
<b>HYPERCOM EUROPE LIMITED, INC.</b>	Arizona
<b>HYPERCOM LATINO AMERICA, INC.</b>	Arizona

**SCHEDULE B**

Trademarks and Trademark  
Applications

<i>Title</i>	<i>Application or Patent Number</i>	<i>Date Filed or Issued</i>	<i>Status</i>	<i>Owner of Record</i>
Hypercom – Block Letters (U.S.)	1,797,642	10/12/93	Registered	Hypercom Corp.
Hypercom – Block Letters (Australia)	635,530	04/04/95	Registered	Hypercom Corp.
Hypercom – Block Letters (Canada)	TMA503,528	11/03/98	Registered	Hypercom Corp.
Hypercom – Block Letters (France)	95555452	01/27/95	Registered	Hypercom Corp.
Hypercom – Block Letters (Germany)	395 05 276.9	07/21/98	Registered	Hypercom Corp.
Hypercom – Block Letters (Hong Kong)	13321 of 1999	07/28/95	Registered	Hypercom Corp.
Hypercom – Block Letters (South Korea)	349362	10/30/96	Registered	Hypercom Corp.
Hypercom – Block Letters (Mexico)	639987	01/31/00	Registered	Hypercom Corp.
Hypercom – Block Letters (New Zealand)	276729	05/15/97	Registered	Hypercom Corp.
Hypercom – Block Letters (Taiwan)	719229	06/16/96	Registered	Hypercom Corp.
Hypercom – Block Letters (Great Britain)	2008608	01/24/95	Registered	Hypercom Corp.
Hypercom – Block Letters (Argentina)	1.582.365	12/14/95	Registered	Hypercom Corp.
Hypercom – Block Letters (Benelux)	565490	01/26/95	Registered	Hypercom Corp.
Hypercom – Block Letters (Bolivia)	C-63093	03/11/97	Registered	Hypercom Corp.
Hypercom – Block Letters (China)	950110266	08/03/95	Pending	Hypercom Corp.
Hypercom – Block Letters (Colombia)	180228	09/29/95	Registered	Hypercom Corp.
Hypercom – Block Letters (Costa Rica)	94.280	01/04/96	Registered	Hypercom Corp.
Hypercom – Block Letters (Ecuador)	1980-96	11/12/96	Registered	Hypercom Corp.

<i>Title</i>	<i>Application or Patent Number</i>	<i>Date Filed or Issued</i>	<i>Status</i>	<i>Owner of Record</i>
Hypercom – Block Letters (El Salvador)	240	02/20/98	Registered	Hypercom Corp.
Hypercom – Block Letters (Guatemala)	90,738	03/26/98	Registered	Hypercom Corp.
Hypercom – Block Letters (Honduras)	64,050	01/11/96	Registered	Hypercom Corp.
Hypercom – Block Letters (Hungary)	148,716	03/09/95	Registered	Hypercom Corp.
Hypercom – Block Letters (India)	668952	06/13/95	Pending	Hypercom Corp.
Hypercom – Block Letters (Indonesia)	371793	06/16/95	Registered	Hypercom Corp.
Hypercom – Block Letters (Ireland)	166137	01/25/95	Registered	Hypercom Corp.
Hypercom – Block Letters (Italy)	716065	07/15/97	Registered	Hypercom Corp.
Hypercom – Block Letters (Nicaragua)	30,889	04/23/96	Registered	Hypercom Corp.
Hypercom – Block Letters (Panama)	76053	08/20/96	Registered	Hypercom Corp.
Hypercom – Block Letters (Paraguay)	185,081	05/23/96	Registered	Hypercom Corp.
Hypercom – Block Letters (Peru)	265501	08/21/95	Registered	Hypercom Corp.
Hypercom – Block Letters (Philippines)	4-1995-103723	11/09/99	Registered	Hypercom Corp.
Hypercom – Block Letters (Russia)	167645	09/15/98	Registered	Hypercom Corp.
Hypercom – Block Letters (Singapore)	4167/95	05/11/95	Registered	Hypercom Corp.
Hypercom – Block Letters (Sri Lanka)	74364	05/19/95	Registered	Hypercom Corp.
Hypercom – Block Letters (Uruguay)	277,555	03/12/97	Registered	Hypercom Corp.
Hypercom – Block Letters (Venezuela)	8856-95	06/21/95	Pending	Hypercom Corp.
Hypercom – Block Letters (Jamaica)	28,489	05/25/95	Registered	Hypercom Corp.
Hypercom – Block Letters (Pakistan)	129443	04/02/95	Pending	Hypercom Corp.
Hypercom – Block Letters (Malaysia)	95/08246	08/15/95	Pending	Hypercom Corp.
Hypercom – Design (U.S.) <b>2</b>	1,796,301	10/05/93	Registered	Hypercom Corp.

<i>Title</i>	<i>Application or Patent Number</i>	<i>Date Filed or Issued</i>	<i>Status</i>	<i>Owner of Record</i>
Hypercom – Design (Australia)	635,529	07/21/94	Registered	Hypercom Corp.
Hypercom – Design (Canada)	TMA504,377	11/20/98	Registered	Hypercom Corp.
Hypercom – Design (France)	95555453	01/27/95	Registered	Hypercom Corp.
Hypercom – Design (Germany)	395 05 266.1	02/07/95	Pending	Hypercom Corp.
Hypercom – Design (Hong Kong)	13322 of 1999	07/28/95	Registered	Hypercom Corp.
Hypercom – Design (South Korea)	349361	10/31/96	Registered	Hypercom Corp.
Hypercom – Design (Mexico)	668518	08/28/00	Registered	Hypercom Corp.
Hypercom – Design (New Zealand)	276730	07/27/98	Registered	Hypercom Corp.
Hypercom – Design (Taiwan)	719288	06/16/96	Registered	Hypercom Corp.
Hypercom – Design (Great Britain)	2008604	01/24/95	Registered	Hypercom Corp.
Hypercom – Design (Argentina)	1.582.362	12/14/95	Registered	Hypercom Corp.
Hypercom – Design (Benelux)	567020	01/26/95	Registered	Hypercom Corp.
Hypercom – Design (Bolivia)	C-63092	03/11/97	Registered	Hypercom Corp.
Hypercom – Design (China)	1331302	11/07/99	Registered	Hypercom Corp.
Hypercom – Design (Colombia)	180226	09/29/95	Registered	Hypercom Corp.
Hypercom – Design (Costa Rica)	94.537	02/01/96	Registered	Hypercom Corp.
Hypercom – Design (Ecuador)	149-97	02/26/97	Registered	Hypercom Corp.
Hypercom – Design (El Salvador)	00133	09/02/98	Registered	Hypercom Corp.
Hypercom – Design (Guatemala)	99,088	10/15/99	Registered	Hypercom Corp.
Hypercom – Design (Honduras)	64,049	01/11/96	Registered	Hypercom Corp.
Hypercom – Design (Hungary)	148 736	03/09/95	Registered	Hypercom Corp.
Hypercom – Design (India)	668951	06/13/95	Pending	Hypercom Corp.

<i>Title</i>	<i>Application or Patent Number</i>	<i>Date Filed or Issued</i>	<i>Status</i>	<i>Owner of Record</i>
Hypercom – Design (Indonesia)	368268	06/16/95	Registered	Hypercom Corp.
Hypercom – Design (Ireland)	166138	01/25/95	Registered	Hypercom Corp.
Hypercom – Design (Italy)	716064	01/30/95	Registered	Hypercom Corp.
Hypercom – Design (Nicaragua)	30,875	04/22/96	Registered	Hypercom Corp.
Hypercom – Design (Panama)	76054	11/14/96	Registered	Hypercom Corp.
Hypercom – Design (Paraguay)	185,082	05/23/96	Registered	Hypercom Corp.
Hypercom – Design (Peru)	19085	09/15/95	Registered	Hypercom Corp.
Hypercom – Design (Philippines)	4-1995-103716	7/12/00	Registered	Hypercom Corp.
Hypercom – Design (Singapore)	4168/95	05/11/95	Registered	Hypercom Corp.
Hypercom – Design (Sri Lanka)	74365	11/26/97	Registered	Hypercom Corp.
Hypercom – Design (Thailand)	TM51614	09/29/95	Registered	Hypercom Corp.
Hypercom – Design (Uruguay)	277554	05/09/95	Pending	Hypercom Corp.
Hypercom – Design (Venezuela)	8855-95	06/21/95	Registered	Hypercom Corp.
Hypercom – Design (Jamaica)	29,300	05/25/95	Registered	Hypercom Corp.
Hypercom – Design (Pakistan)	129442	04/02/95	Pending	Hypercom Corp.
Hypercom – Design (Malaysia)	95/09247	08/16/95	Pending	Hypercom Corp.
Hypercom – Design (Spain)	2.219.133	03/09/99	Pending	Hypercom Corp.
Hypercom – Design (Portugal)	335,924	03/17/99	Pending	Hypercom Corp.
Virtual POS – Class 9 (U.S.) 3	2,074,607	06/24/97	Registered	Hypercom Corp.
Meganac – Class 9 (U.S.) 4	1,658,115	09/24/91	Registered	Hypercom Corp.
Minimac – Class 9 (U.S.) 5	1,751,043	02/09/93	Registered	Hypercom Corp.
Minirouter – Class 9 (U.S.) 4	1,956,902	02/13/96	Registered	Hypercom Corp.

<i>Title</i>	<i>Application or Patent Number</i>	<i>Date Filed or Issued</i>	<i>Status</i>	<i>Owner of Record</i>
Term-Master – Class 9 (U.S.) 7	1,921,780	09/26/95	Registered	Hypercom Corp.
Chipstripe – Class 9 (U.S.) 8	2,196,537	10/13/98	Registered	Hypercom Corp.
Realpay – Class 9 (U.S.) 9	75/444,040	03/02/98	Pending	Hypercom Corp.
Ascendent – Class 9 (U.S.) 10	2,322,397	02/22/00	Registered	Hypercom Corp.
Hypercom Fastpos – Class 9 (U.S.) 11	2,427,285	02/06/01	Registered	Hypercom Corp.
Ice-Pac – Class 9 (U.S.) 12	2,407,094	12/5/00	Registered	Hypercom Corp.
Ienview – Class 9 (U.S.) 13	75/652,010	03/02/99	Pending	Hypercom Corp.
IEN 2000 – Class 9 (U.S.) 14	75/662,922	03/18/99	Pending	Hypercom Corp.
ICE – Class 9, 16 and 36(European Community)	1882927	09/29/00	Pending	Hypercom Corp.
Hyperware – Class 9 (U.S.) 15	75/676,749	04/06/99	Pending	Hypercom Corp.
The Global Leader in Electronic Transaction Solutions – Class 9 (U.S.) 16	2,411,537	12/05/00	Registered	Hypercom Corp.
Hypercom.com – Class 9 & 42 (U.S.) 17	75/804,442	09/21/99	Pending	Hypercom Corp.
Putting the Commerce in Dot Com – Class 9 & 42 (U.S.) 18	75/804,440	09/21/99	Pending	Hypercom Corp.
EPIC (Stylized) – Class 9 (U.S.) 19	75/847,737	11/12/99	Pending	Hypercom Corp.
EPOS-Inforcommerce – Class 9 (U.S.) 20	75/867,705	12/10/99	Pending	Hypercom Corp.
Microtrax – Class 9 (U.S.) 21	76/151,181	10/20/00	Pending	Hypercom Corp.
Shophostz – Class 9 (U.S.) 22	75/909,019	02/03/00	Pending	Hypercom Corp.
Epicportz (Stylized) – Class 9 (U.S.) 23	75/916,994	02/10/00	Pending	Hypercom Corp.
WINEPS – Class 9 (U.S.) 24	76/151,183	10/20/00	Pending	Hypercom Corp.
WINEPS – Class 9 (Canada)	1,098,536	04/04/01	Pending	Hypercom Corp.
WINEPS – Class 9 (European Community)	2156909	03/30/01	Pending	Hypercom Corp.
WINEPS – Class 9 (Brazil)	823767434	4/19/01	Pending	Hypercom Corp.

<i>Title</i>	<i>Application or Patent Number</i>	<i>Date Filed or Issued</i>	<i>Status</i>	<i>Owner of Record</i>
Epicreceipts – Class 9 (U.S.) 25	76/011,067	03/23/00	Pending	Hypercom Corp.
Epicreceipts – Class 9 (EP)	001860428	09/19/00	Pending	Hypercom Corp.
Epicreceipts – Class 9 (Turkey)	80831	9/20/00	Pending	Hypercom Corp.
Epicwall – Class 9 (U.S.) 26	76/008,042	03/23/00	Pending	Hypercom Corp.
Epicwall – Class 9 (Turkey)	80833	9/20/00	Pending	Hypercom Corp.
Epiccommerce – Class 9 (U.S.) 27	76/011,557	03/24/00	Pending	Hypercom Corp.
Epiccommerce – Class 9 (Turkey)	80835	9/20/00	Pending	Hypercom Corp.
Epicpack – Class 9 (U.S.) 28	76/008,076	03/23/00	Pending	Hypercom Corp.
Epicpack – Class 9 (Turkey)	80832	9/20/00	Pending	Hypercom Corp.
Epicmail – Class 9 (U.S.) 29	76/012,321	03/24/00	Pending	Hypercom Corp.
Epicmail – Class 9 (EP)	001860154	9/19/00	Pending	Hypercom Corp.
Epicmail – Class 9 (Turkey)	80834	9/20/00	Pending	Hypercom Corp.
Epicnetz (Block) – Class 9 (EP)	001861186	9/19/00	Pending	Hypercom Corp.
Epicnetz (Block) – Class 9 (Turkey)	80830	9/20/00	Pending	Hypercom Corp.
IEN 2500 – Class 9 (U.S.) 30	2,431,735	02/27/01	Registered	Hypercom Corp.
IEN 4000 – Class 9 (U.S.) 31	2,431,736	02/27/01	Registered	Hypercom Corp.
IEN 6000 – Class 9 (U.S.) 32	2,431,746	02/27/01	Registered	Hypercom Corp.
Browser-Powered – Class 9 (U.S.) 33	76/053,859	05/19/00	Pending	Hypercom Corp.
Epictranz – Class 9 (EP)	001984590	12/4/00	Pending	Hypercom Corp.
Epictranz – Class 9 (Turkey)	106711	12/4/00	Pending	Hypercom Corp.
Fastcom – Class 9 (U.S.) 34	76/161,777	11/8/00	Pending	Hypercom Corp.
Hypersmart – Class 9 (U.S.) 35	76/210,423	2/14/01	Pending	Hypercom Corp.



<i>Title</i>	<i>Application or Patent Number</i>	<i>Date Filed or Issued</i>	<i>Status</i>	<i>Owner of Record</i>
Benefit From Our Solutions – Class 9 (U.S.) 36	76/259,130	5/16/01	Pending	Hypercom Corp.

# PATENT AND TRADEMARK SECURITY AGREEMENT

This **PATENT AND TRADEMARK SECURITY AGREEMENT** (this "Agreement"), dated as of July 31, 2001 is made by and among **HYPERCOM CORPORATION**, a Delaware corporation, **HYPERCOM (ARIZONA), INC.**, an Arizona corporation, **HYPERCOM U.S.A., INC.**, a Delaware corporation, **HYPERCOM MANUFACTURING RESOURCES, INC.**, an Arizona corporation, **HYPERCOM HORIZON, INC.**, a Missouri corporation, **EPICNETZ, INC.**, a Nevada corporation, **HYPERCOM EUROPE LIMITED, INC.**, an Arizona corporation, and **HYPERCOM LATINO AMERICA, INC.**, an Arizona corporation (referred to hereinafter each individually as a "Debtor", and individually and collectively, jointly and severally, as the "Debtors"), and **FOOTHILL CAPITAL CORPORATION**, a California corporation, as the arranger and administrative agent for the below-referenced Lenders (in such capacity, together with its successors, if any, in such capacity, "Secured Party"), in light of the following:

## RECITALS

**WHEREAS**, Hypercom Corporation (the "Parent"), owns all of the issued and outstanding capital stock and other equity interests of Hypercom (Arizona), Inc., an Arizona corporation, Hypercom U.S.A., Inc., a Delaware corporation, Hypercom Manufacturing Resources, Inc., an Arizona corporation, Hypercom Horizon, Inc., a Missouri corporation, Epicnetz, Inc., a Nevada corporation, Hypercom Europe Limited, Inc., an Arizona corporation, and Hypercom Latino America, Inc., an Arizona corporation (collectively, the "Borrowers");

**WHEREAS**, the Borrowers and the Lenders are, contemporaneously herewith, entering into that certain Loan and Security Agreement of even date herewith (as amended, restated, modified, renewed or extended from time to time, the "Loan Agreement");

**WHEREAS**, the Parent is contemporaneously herewith, entering into an Affiliate General Continuing Guaranty (a "Guaranty") in favor of the Secured Party, guarantying the obligations of the Borrowers under the Loan Agreement;

**WHEREAS**, in order to induce the Lenders to extend financial accommodations to the Borrowers pursuant to the Loan Agreement, and in consideration thereof, and in consideration of any loans or other financial accommodations heretofore or hereafter extended by the Lenders to the Borrowers, whether pursuant to the Loan Agreement or otherwise, each of the Debtors has agreed to execute and deliver this Agreement to Secured Party for filing with the PTO and with any other relevant recording systems in any domestic or foreign jurisdiction, and as further evidence of and to effectuate Secured Party's existing security interests in the trademarks, patents and other general intangibles described herein.

## ASSIGNMENT

**NOW, THEREFORE**, for valuable consideration, the receipt and adequacy of which is hereby acknowledged, each Debtor hereby agrees in favor of Secured Party, as follows:

SECTION 1 Definitions; Interpretation.

(a) Certain Defined Terms. As used in this Agreement, the following terms shall have the following meanings:

“Agreement” shall have the meaning ascribed to such term in the introductory paragraph hereto.

“Bankruptcy Code” means the United States Bankruptcy Code (11 U.S.C. §101 et seq.), as amended, and any successor statute.

“Guaranty” shall have the meaning ascribed to such term in the recitals to this Agreement.

“IP Collateral” means Patent Collateral and Trademark Collateral.

“Debtor” and “Debtors” shall have the respective meanings ascribed to such terms in the introductory paragraph of this Agreement.

“Event of Default” shall have the meaning ascribed thereto in the Loan Agreement.

“Lenders” means, individually and collectively, each of the financial institutions identified on the signature pages of the Loan Agreement, including the Secured Party in its capacity as a Lender, and any other person made a party thereto in accordance with the provisions of Section 14 thereof (together with their respective successors and assigns).

“Lien” means any interest in property securing an obligation owed to, or a claim by, any Person other than the owner of the property, whether such interest shall be based on the common law, statute, or contract, whether such interest shall be recorded or perfected, and whether such interest shall be contingent upon the occurrence of some future event or events or the existence of some future circumstance or circumstances, including any pledge, security interest, assignment, charge or encumbrance, lien (statutory or other), or other preferential arrangement (including any agreement to give any security interest).

“Loan Agreement” shall have the meaning ascribed to such term in the recitals to this Agreement.

“Loan Documents” shall have the meaning ascribed thereto in the Loan Agreement.

“Patent Collateral” has the meaning set forth in Section 2(a).

“Patents” has the meaning set forth in Section 2(a).

“Person” means and includes natural persons, corporations, limited liability companies, limited partnerships, general partnerships, limited liability partnerships, joint

ventures, trusts, land trusts, business trusts, or other organizations, irrespective of whether they are legal entities, and governments and agencies and political subdivisions thereof.

**“Proceeds”** means whatever is receivable or received from or upon the sale, lease, license, collection, use, exchange or other disposition, whether voluntary or involuntary, of any IP Collateral, including “proceeds” as defined at UCC Section 9315, all insurance proceeds and all proceeds of proceeds. Proceeds shall include (i) any and all accounts, chattel paper, instruments, general intangibles, cash and other proceeds, payable to or for the account of any Debtor, from time to time in respect of any of the IP Collateral, (ii) any and all proceeds of any insurance, indemnity, warranty or guaranty payable to or for the account of a Debtor from time to time with respect to any of the IP Collateral, (iii) any and all claims and payments (in any form whatsoever) made or due and payable to any Debtor from time to time in connection with any requisition, confiscation, condemnation, seizure or forfeiture of all or any part of the IP Collateral by any Person acting under color of governmental authority, and (iv) any and all other amounts from time to time paid or payable under or in connection with any of the IP Collateral or for or on account of any damage or injury to or conversion of any IP Collateral by any Person.

**“PTO”** means the United States Patent and Trademark Office and any successor thereto.

**“Secured Obligations”** means all liabilities, obligations, or undertakings owing by such Debtor to Secured Party and each Lender of any kind or description arising out of or outstanding under, advanced or issued pursuant to, or evidenced by (i) the Loan Agreement, Loan Documents, or this Agreement with respect to each of the Debtors other than Parent and (ii) the Guaranty or this Agreement with respect to the Parent, irrespective of whether for the payment of money, whether direct or indirect, absolute or contingent, due or to become due, voluntary or involuntary, whether now existing or hereafter arising, and including all interest (including interest that accrues after the filing of a case under the Bankruptcy Code) and any and all costs, fees (including reasonable attorneys fees), and expenses which such Debtor is required to pay pursuant to any of the foregoing, by law, or otherwise.

**“Secured Party”** shall have the meaning ascribed to such term in the introductory paragraph of this Agreement.

**“Trademark Collateral”** has the meaning set forth in Section 2(b).

**“Trademarks”** has the meaning set forth in Section 2(b).

**“UCC”** means the Uniform Commercial Code as in effect from time to time in the State of California.

**“United States”** and **“U.S.”** each mean the United States of America, including all territories thereof and all protectorates thereof.

(b) **Terms Defined in UCC.** Where applicable and except as otherwise defined herein, terms used in this Agreement shall have the meanings ascribed to them in the UCC.

(c) Terms Defined in the Loan Agreement. Capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to them in the Loan Agreement.

(d) Interpretation. In this Agreement, except to the extent the context otherwise requires:

(i) Any reference to a Section or a Schedule is a reference to a section hereof, or a schedule hereto, respectively, and any reference to a subsection or a clause is, unless otherwise stated, a reference to a subsection or a clause of the Section or subsection in which the reference appears.

(ii) The words “hereof,” “herein,” “hereto,” “hereunder” and the like mean and refer to this Agreement as a whole and not merely to the specific Section, subsection, paragraph or clause in which the respective word appears.

(iii) The meaning of defined terms shall be equally applicable to both the singular and plural forms of the terms defined.

(iv) The words “including,” “includes” and “include” shall be deemed to be followed by the words “without limitation.”

(v) References to agreements and other contractual instruments shall be deemed to include all subsequent amendments and other modifications thereto.

(vi) References to agreements and other contractual instruments shall be deemed to include all subsequent amendments, restatements, supplements, refinancings, renewals, extensions, and other modifications thereto and thereof.

(vii) Any captions and headings are for convenience of reference only and shall not affect the construction of this Agreement.

(viii) In the event of a direct conflict between the terms and provisions of this Agreement and the Loan Agreement, it is the intention of the parties hereto that both such documents shall be read together and construed, to the fullest extent possible, to be in concert with each other. In the event of any actual, irreconcilable conflict that cannot be resolved as aforesaid, the terms and provisions of the Loan Agreement shall control and govern; provided, however, that the inclusion herein of additional obligations on the part of the Debtors and supplemental rights and remedies in favor of Secured Party (whether under California law or applicable federal law), in each case in respect of the IP Collateral, shall not be deemed a conflict with the Loan Agreement.

## SECTION 2 Security Interest.

(a) Assignment and Grant of Security Interests in Patent Collateral. As security for the prompt payment and performance of the Secured Obligations, each Debtor hereby grants, assigns, transfers, and conveys to Secured Party continuing security interests in all of such

Debtor's right, title and interest in, to and under the following property, whether now existing or hereafter acquired or arising and whether registered or unregistered (collectively, the "Patent Collateral"):

(i) all letters patent of the U.S. or any other country, all registrations and recordings thereof, and all applications for letters patent of the U.S. or any other country, owned, held, or used by such Debtor in whole or in part, including all existing U.S. patents and patent applications of such Debtor which are described in Schedule A hereto, as the same may be amended or supplemented pursuant hereto from time to time, and together with and including all patent licenses held by such Debtor, including such patent licenses which are described in Schedule A hereto, together with all reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof and the inventions disclosed therein, and all rights corresponding thereto throughout the world, including the right to make, use, lease, sell and otherwise transfer the inventions disclosed therein, and all proceeds thereof, including all license royalties and proceeds of infringement suits (collectively, the "Patents");

(ii) all claims, causes of action and rights to sue for past, present and future infringement or unconsented use of any of the Patents and all rights arising therefrom and pertaining thereto;

(iii) all general intangibles (as defined in the UCC) and all intangible intellectual or other similar property of such Debtor of any kind or nature, whether now owned or hereafter acquired or developed, associated with or arising out of any of the Patents and not otherwise described above; and

(iv) all products and Proceeds of any and all of the foregoing.

Anything in this Agreement and the other Loan Documents to the contrary notwithstanding, the foregoing grant, assignment, transfer, and conveyance of security interests shall not extend to, and the term "Patent Collateral" shall not include, any item of Patent Collateral described in Section 2(a) above that is now or hereafter held by the Debtors as licensee or otherwise, solely in the event and to the extent that: (i) as the proximate result of the foregoing grant, assignment, transfer, or conveyance of security interests, Debtors' rights in or with respect to such item of Patent Collateral would be forfeited or would become void, voidable, terminable, or revocable, or if Debtors would be deemed to have breached, violated, or defaulted the underlying license or other agreement that governs such item of Patent Collateral pursuant to the restrictions in the underlying license or other agreement that governs such item of Patent Collateral; (ii) any such restriction shall be effective and enforceable under applicable law; and (iii) any such forfeiture, voidness, voidability, terminability, revocability, breach, violation, or default cannot be remedied by Debtors using their best efforts (but without any obligation to make any material expenditures of money or to commence legal proceedings); provided, however, that the foregoing grant, assignment, transfer, and conveyance of security interests shall extend to, and the term "Patent Collateral" shall include, (y) any and all Proceeds of such item of Patent Collateral to the extent that the assignment or encumbering of such Proceeds is not so restricted, and (z) upon any such licensor or other applicable party's consent with respect to any such otherwise excluded item of

Patent Collateral being obtained, thereafter such item of Patent Collateral as well as any Proceeds thereof that might theretofore have been excluded from such grant, assignment, transfer, and conveyance of security interests and the term "Patent Collateral."

(b) Assignment and Grant of Security Interest in Trademark Collateral. As security for the prompt payment and performance of the Secured Obligations, each Debtor hereby grants, assigns, transfers, and conveys to Secured Party continuing security interests in all of such Debtor's right, title and interest in, to and under the following property, whether now existing or hereafter acquired or arising and whether registered or unregistered (collectively, the "Trademark Collateral"):

(i) all United States or any other country common law and registered trademarks, service marks and trade names, corporate names, company names, business names, fictitious business names, trade styles, trade dress, logos, other source or business identifiers, designs, and general intangibles of like nature, now existing or hereafter adopted or acquired and all registrations and recordings thereof, and all applications filed or to be filed in connection therewith, including registrations and applications in the PTO or any State of the United States, and all extensions or renewals thereof, including without limitation any of the foregoing identified on Schedule B hereto (as the same may be amended, modified or supplemented from time to time), and the right (but not the obligation) to register claims under any state or federal trademark law or regulation and to apply for, renew and extend any of the same, to sue or bring opposition or cancellation proceedings in the name of such Debtor or in the name of Secured Party for past, present or future infringement or unconsented use thereof, and all rights arising therefrom in the United States (collectively, the "Trademarks");

(ii) all claims, causes of action and rights to sue for past, present or future infringement or unconsented use of any Trademarks and all rights arising therefrom and pertaining thereto;

(iii) all general intangibles related to or arising out of any of the Trademarks (other than those general intangibles identified on Schedule C hereto) and all the goodwill of such Debtor's business symbolized by the Trademarks or associated therewith; and

(iv) all products and Proceeds of any and all of the foregoing.

(c) Continuing Security Interests. Each Debtor agrees that this Agreement shall create continuing security interests in the IP Collateral which shall remain in effect until terminated in accordance with Section 16.

(d) Incorporation into Loan Agreement. This Agreement shall be fully incorporated into the Loan Agreement and all understandings, agreements and provisions contained in the Loan Agreement shall be fully incorporated into this Agreement. Without limiting the foregoing, the IP Collateral described in this Agreement shall constitute part of the Collateral in the Loan Agreement.

(e) Licenses. Anything in the Loan Agreement or this Agreement to the contrary notwithstanding, so long as no Event of Default has occurred and is continuing, each Debtor may license to any other Person the IP Collateral on a non-exclusive basis (subject to the security interests of Secured Party therein) in the ordinary course of business consistent with past practice.

**SECTION 3 Further Assurances; Appointment of Secured Party as Attorney-in-Fact**. Each Debtor at its expense shall execute and deliver, or cause to be executed and delivered, to Secured Party any and all documents and instruments, in form and substance reasonably satisfactory to Secured Party, and take any and all action, which Secured Party may reasonably request from time to time, to perfect and continue perfected, maintain the priority of or provide notice of Secured Party's security interests in the IP Collateral and to accomplish the purposes of this Agreement. If a Debtor refuses to execute and deliver, or fails timely to execute and deliver, any of the documents it is requested to execute and deliver by Secured Party in accordance with the foregoing, Secured Party shall have the right to, in the name of such Debtor, or in the name of Secured Party or otherwise, without notice to or assent by such Debtor, and such Debtor hereby irrevocably constitutes and appoints Secured Party (and any of Secured Party's officers or employees or agents designated by Secured Party) as such Debtor's true and lawful attorney-in-fact with full power and authority, (i) to sign the name of such Debtor on all or any of such documents or instruments, and perform all other acts, that Secured Party deems necessary or advisable in order to perfect or continue perfected, maintain the priority or enforceability of or provide notice of Secured Party's security interests in, the IP Collateral, and (ii) to execute any and all other documents and instruments, and to perform any and all acts and things for and on behalf of such Debtor, which Secured Party may deem necessary or advisable to maintain, preserve and protect the IP Collateral and to accomplish the purposes of this Agreement, including (A) upon the occurrence and during the continuance of any Event of Default, to defend, settle, adjust or institute any action, suit or proceeding with respect to the IP Collateral, (B) upon the occurrence and during the continuance of any Event of Default, to assert or retain any rights under any license agreement for any of the IP Collateral, including any rights of such Debtor arising under Section 365(n) of the Bankruptcy Code, and (C) upon the occurrence and during the continuance of any Event of Default, to execute any and all applications, documents, papers and instruments for Secured Party to use the IP Collateral, to grant or issue any exclusive or non-exclusive license with respect to any IP Collateral, and to assign, convey or otherwise transfer title in or dispose of the IP Collateral. The power of attorney set forth in this Section 3, being coupled with an interest, is irrevocable so long as this Agreement shall not have terminated in accordance with Section 16.

**SECTION 4 Representations and Warranties**. Each Debtor jointly and severally represents and warrants to Secured Party, as follows:

(a) No Other Patents/ Trademarks. Schedule A sets forth, as of the Closing Date, a true and correct list of all of the existing Patents that are registered, or for which any application for registration has been filed with the PTO or any corresponding or similar patent office of any other U.S. or foreign jurisdiction, and that are owned and used by the Debtors. Schedule B sets forth, as of the Closing Date, a true and correct list of all of the existing



Trademarks that are registered, or for which any application for registration has been filed with the PTO or any corresponding or similar trademark office of any other U.S. or foreign jurisdiction, and that are owned and used by the Debtors.

(b) Validity. Each of the Patents listed on Schedule A and each of the Trademarks listed on Schedule B is subsisting and has not been adjudged invalid or unenforceable, in whole or in part, all maintenance fees required to be paid on account of any Patents and Trademarks have been timely paid for maintaining such Patents and Trademarks in force, and, to the best of such Debtor's knowledge, each of the Patents and Trademark is valid and enforceable.

(c) Title. (i) Such Debtor has rights in and good title to the existing IP Collateral, (ii) with respect to the IP Collateral shown on Schedule A and Schedule B hereto as owned by it, except as set forth in Schedule A and Schedule B, such Debtor is the sole and exclusive owner thereof, free and clear of any Liens and rights of others (other than (A) Liens in favor of Secured Party, and (B) Permitted Liens), including licenses, shop rights and covenants by such Debtor not to sue third persons and (iii) with respect to any Patent or Trademark for which such Debtor is either a licensor or a licensee pursuant to a license or licensee agreement regarding such Patent or Trademark, each such license or licensing agreement is in full force and effect, such Debtor is not in default of any of its obligations thereunder and, other than (A) the parties to such licenses or licensing agreements, or (B) in the case of any non-exclusive license or license agreement entered into by such Debtor or any such licensor regarding such IP Collateral, the parties to any other such non-exclusive licenses or license agreements entered into by such Debtor or any such licensor with any other Person, no other Person is known by such Debtor to have any rights in or to any of the IP Collateral.

(d) No Infringement. To the best of such Debtor's knowledge, (i) no material infringement or unauthorized use presently is being made of any of the IP Collateral by any Person, and (ii) the past, present and contemplated future use of the IP Collateral by such Debtor has not, does not and will not infringe upon or violate any right, privilege or license agreement of or with any other Person.

(e) Powers. Each Debtor has the unqualified right, power and authority to pledge and to grant to Secured Party security interests in all of the IP Collateral pursuant to this Agreement, and to execute, deliver and perform its obligations in accordance with the terms of this Agreement, without the consent or approval of any other Person except as already obtained.

SECTION 5 Covenants. Each Debtor covenants that so long as this Agreement shall be in effect, such Debtor shall:

(a) comply with all of the covenants, terms and provisions of this Agreement, the Loan Agreement and the other Loan Documents to which such Debtor is a party;

(b) promptly give Secured Party written notice of the occurrence of any event that could have a material adverse effect on any of the Patents, Trademarks or the IP Collateral,

including any petition under the Bankruptcy Code filed by or against any licensor of any of the Patents or Trademarks for which such Debtor is a licensee;

(c) on a continuing basis, make, execute, acknowledge and deliver, and file and record in the proper filing and recording places, all such instruments and documents, including appropriate financing and continuation statements and security agreements, and take all such action as may be necessary or advisable or may be reasonably requested by Secured Party to carry out the intent and purposes of this Agreement, or for assuring, confirming or protecting the grant or perfection of the security interests granted or purported to be granted hereby, to ensure such Debtor's compliance with this Agreement or to enable Secured Party to exercise and enforce its rights and remedies hereunder with respect to the IP Collateral. Without limiting the generality of the foregoing sentence, each Debtor:

(i) hereby authorizes Secured Party in its reasonable discretion if such Debtor refuses to execute and deliver, or fails timely to execute and deliver, any of the documents it is requested to execute and deliver by Secured Party, to modify this Agreement without first obtaining such Debtor's approval of or signature to such modification by amending Schedule A hereof to include a reference to any right, title or interest in any existing IP Collateral or IP Collateral acquired or developed by such Debtor after the execution hereof, or to delete any reference to any right, title or interest in any IP Collateral in which such Debtor no longer has or claims any right, title or interest; and

(ii) hereby authorizes Secured Party, in its reasonable discretion, to file one or more financing or continuation statements, if such Debtor refuses to execute and deliver, or fails timely to execute and deliver, any such amendment thereto it is requested to execute and deliver by Secured Party, any amendments thereto, relative to all or any portion of the IP Collateral, without the signature of such Debtor where permitted by law;

(d) comply, in all material respects, with all applicable statutory and regulatory requirements in connection with any and all of the IP Collateral and give such notice, prosecute such material claims, and do all other acts and take all other measures which, in such Debtor's reasonable business judgment, may be necessary or desirable to preserve, protect and maintain the IP Collateral and all of such Debtor's rights therein, including diligently prosecute any material patent or trademark application pending as of the date of this Agreement or thereafter;

(e) comply with each of the terms and provisions of this Agreement, and not enter into any agreement (for example, a license agreement) which is inconsistent with the obligations of such Debtor under this Agreement without Secured Party's prior written consent; and

(f) not permit the inclusion in any contract to which such Debtor becomes a party of any provision that could or might impair or prevent the creation of a security interest in favor of Secured Party in such Debtor's rights and interest in any property included within the definition of IP Collateral acquired under such contracts.

**SECTION 6 Future Rights.** If and when any Debtor shall obtain rights to any new trademarks or patentable inventions, or become entitled to the benefit of any Patent or Trademark, or any reissue, division, continuation, renewal, extension or continuation-in-part of any Patent, Trademark or IP Collateral or any improvement thereof (whether pursuant to any license or otherwise), the provisions of this Agreement shall automatically apply thereto and such Debtor shall give to Secured Party prompt notice thereof. Each Debtor shall do all things deemed necessary or advisable by Secured Party to ensure the validity, perfection, priority and enforceability of the security interests of Secured Party in such future acquired IP Collateral. Each Debtor hereby authorizes Secured Party to modify, amend or supplement the Schedules hereto and to re-execute this Agreement from time to time on such Debtor's behalf and as its attorney-in-fact to include any future patents or trademarks which are or become IP Collateral and to cause such re-executed Agreement or such modified, amended or supplemented Schedules to be filed with the PTO.

**SECTION 7 Remedies.** Upon the occurrence and during the continuance of an Event of Default, Secured Party shall have all rights and remedies available to it under the Loan Agreement and the other Loan Documents, as applicable, and applicable law (which rights and remedies are cumulative) with respect to the security interests in any of the IP Collateral or any other Collateral (as such term is defined in the Loan Agreement). Each Debtor agrees that such rights and remedies include the right of Secured Party as a secured party to sell or otherwise dispose of its IP Collateral after default, pursuant to UCC Section 9504. Each Debtor agrees that Secured Party shall at all times have such royalty free licenses, to the extent permitted by law, for any IP Collateral that is reasonably necessary to permit the exercise of any of Secured Party's rights or remedies upon the occurrence and during the continuation of an Event of Default with respect to (among other things) any tangible asset of such Debtor in which Secured Party has a security interest, including Secured Party's rights to sell inventory, tooling or packaging which is acquired by such Debtor (or its successor, assignee or trustee in bankruptcy). In addition to and without limiting any of the foregoing, upon the occurrence and during the continuance of an Event of Default, Secured Party shall have the right but shall in no way be obligated to bring suit, or to take such other action as Secured Party deems necessary or advisable, in the name of such Debtor or Secured Party, to enforce or protect any of the IP Collateral, in which event such Debtor shall, at the request of Secured Party, do any and all lawful acts and execute any and all documents required by Secured Party in aid of such enforcement. To the extent that Secured Party shall elect not to bring suit to enforce such IP Collateral, upon the occurrence and during the continuation of an Event of Default, each Debtor agrees to use all reasonable measures and its diligent efforts, whether by action, suit, proceeding or otherwise, to prevent the infringement, misappropriation or violations thereof by others and for that purpose agrees diligently to maintain any action, suit or proceeding against any Person necessary to prevent such infringement, misappropriation or violation.

**SECTION 8 Binding Effect.** This Agreement shall be binding upon, inure to the benefit of and be enforceable by each Debtor and Secured Party and their respective successors and assigns.

SECTION 9 Notices. All notices and other communications hereunder shall be in writing and shall be mailed, sent or delivered in accordance with the Loan Agreement.

SECTION 10 Governing Law. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of California, except to the extent that the validity or perfection of the security interests hereunder in respect of the IP Collateral are governed by federal law, in which case such choice of California law shall not be deemed to deprive Secured Party of such rights and remedies as may be available under federal law.

SECTION 11 Entire Agreement; Amendment. This Agreement, the Loan Documents and the Loan Agreement, together with the Schedules hereto and thereto, contains the entire agreement of the parties with respect to the subject matter hereof and supersedes all prior drafts and communications relating to such subject matter. Neither this Agreement nor any provision hereof may be modified, amended or waived except by the written agreement of the parties, as provided in the Loan Agreement. Notwithstanding the foregoing, Secured Party may re-execute this Agreement or modify, amend or supplement the Schedules hereto as provided in Section 6 hereof.

SECTION 12 Severability. If one or more provisions contained in this Agreement shall be invalid, illegal or unenforceable in any respect in any jurisdiction or with respect to any party, such invalidity, illegality or unenforceability in such jurisdiction or with respect to such party shall, to the fullest extent permitted by applicable law, not invalidate or render illegal or unenforceable any such provision in any other jurisdiction or with respect to any other party, or any other provisions of this Agreement.

SECTION 13 Counterparts; Telefacsimile Execution. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute but one and the same agreement. Delivery of an executed counterpart of this Agreement by telefacsimile shall be equally as effective as delivery of an original executed counterpart of this Agreement. Any party delivering an executed counterpart of this Agreement by telefacsimile also shall deliver an original executed counterpart of this Agreement but the failure to deliver an original executed counterpart shall not affect the validity, enforceability, and binding effect of this Agreement.

SECTION 14 Loan Agreement. Each Debtor a party to the Loan Agreement acknowledges that the rights and remedies of Secured Party with respect to the security interests in the IP Collateral granted hereby are more fully set forth in the Loan Agreement and all such rights and remedies are cumulative. Each Debtor acknowledges that this Agreement and the other Loan Documents may contain covenants and other terms and provisions variously stated regarding the same or similar matters, and each Debtor agrees that all such covenants, terms and provisions are cumulative and all shall be performed and satisfied in accordance with their respective terms.

SECTION 15 No Inconsistent Requirements. Each Debtor acknowledges that this Agreement and the other Loan Documents may contain covenants and other terms and provisions variously stated regarding the same or similar matters, and each Debtor agrees that all such covenants, terms and provisions are cumulative and all shall be performed and satisfied in accordance with their respective terms. To the extent of any conflict between the provisions of this Agreement and the Loan Agreement, however, the provisions of the Loan Agreement shall govern.

SECTION 16 Termination. Upon the indefeasible payment in full in cash of the Secured Obligations, including the cash collateralization, expiration, or cancellation of all Secured Obligations, if any, consisting of letters of credit, and the full and final termination of any commitment to extend any financial accommodations under the Loan Agreement, this Agreement shall terminate and Secured Party shall execute and deliver such documents and instruments and take such further action reasonably requested by each Debtor and at such Debtor's expense as shall be necessary to evidence termination of the security interests granted by such Debtor to Secured Party hereunder.

SECTION 17 Secured Party's Duties. Notwithstanding any provision contained in this Agreement, Secured Party shall have no duty to exercise any of the rights, privileges or powers afforded to it and shall not be responsible to any Debtor or any other Person for any failure to do so or delay in doing so. Except for the accounting for moneys actually received by Secured Party hereunder or in connection herewith, Secured Party shall have no duty or liability to exercise or preserve any rights, privileges or powers pertaining to the IP Collateral.

SECTION 18 Additional Debtors. The initial Debtors hereunder shall be such of the Debtors as are signatories hereto as of the date hereof. From time to time subsequent to the date hereof, additional Debtors, as required by the Loan Agreement or the other Loan Documents, may become parties hereto, as additional Debtors (each, an "Additional Debtor"), by executing and delivering a counterpart of this Agreement. Upon delivery of any such counterpart to Secured Party, notice of which is hereby waived by any other Debtor, each such Additional Debtor shall be a Debtor and shall be as fully a party hereto as if such Additional Debtor were an original signatory hereof. Each Debtor expressly agrees that its obligations arising hereunder shall not be affected or diminished by the addition or release of any other Debtor, nor by any election of Secured Party not to cause any Person to become an Additional Debtor hereunder. This Agreement shall be fully effective as to any Debtor that is or becomes a party hereto regardless of whether any other Person becomes or fails to become or ceases to be a Debtor hereunder.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have duly executed this Patent and Trademark Security Agreement, as of the date first above written.

**DEBTORS:**

**HYPERCOM CORPORATION,**  
a Delaware corporation

By: Jonathan E. Killmer  
Name: JONATHAN E. KILLMER  
Title: Executive VPT COO

**HYPERCOM (ARIZONA), INC.,**  
an Arizona corporation

By: Jonathan E. Killmer  
Name: \_\_\_\_\_  
Title: Secretary

**HYPERCOM U.S.A., INC.,**  
a Delaware corporation

By: Jonathan E. Killmer  
Name: \_\_\_\_\_  
Title: Secretary

**HYPERCOM MANUFACTURING  
RESOURCES, INC.,**  
an Arizona corporation

By: Jonathan E. Killmer  
Name: \_\_\_\_\_  
Title: Secretary

**HYPERCOM HORIZON, INC.,**  
a Missouri corporation

By: Jonathan E. Killmer  
Name: \_\_\_\_\_  
Title: Secretary

**EPICNETZ, INC.,**  
a Nevada corporation

By: Jonathan E. Killmer  
Name: \_\_\_\_\_  
Title: Secretary

**HYPERCOM LATINO AMERICA, INC.,**  
an Arizona corporation

By: Jonathan E. Killmer  
Name: \_\_\_\_\_  
Title: Secretary

**HYPERCOM EUROPE LIMITED, INC.,**  
an Arizona corporation

By: Jonathan E. Killmer  
Name: \_\_\_\_\_  
Title: Secretary

**SECURED PARTY:**

**FOOTHILL CAPITAL CORPORATION,**  
a California corporation, as agent for the Lenders

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

IN WITNESS WHEREOF, the parties hereto have duly executed this Patent and Trademark Security Agreement, as of the date first above written.

**DEBTORS:**

**HYPERCOM CORPORATION,**  
a Delaware corporation

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

**HYPERCOM (ARIZONA), INC.,**  
an Arizona corporation

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

**HYPERCOM U.S.A., INC.,**  
a Delaware corporation

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

**HYPERCOM MANUFACTURING  
RESOURCES, INC.,**  
an Arizona corporation

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

**HYPERCOM HORIZON, INC.,**  
a Missouri corporation

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

**EPICNETZ, INC.,**  
a Nevada corporation

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

**HYPERCOM LATINO AMERICA, INC.,**  
an Arizona corporation

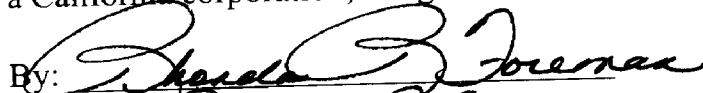
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**HYPERCOM EUROPE LIMITED, INC.,**  
an Arizona corporation

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

**SECURED PARTY:**

**FOOTHILL CAPITAL CORPORATION,**  
a California corporation, as agent for the Lenders

By:   
Name: Rhonda R Foreman  
Title: SVP

## SCHEDULE A

### Patents and Patent Applications

<i>Title</i>	<i>Application or Patent Number</i>	<i>Date Filed or Issued</i>	<i>Status</i>	<i>Owner of Record</i>
Virtual POS Terminal (U.S.)	5,696,909	12/09/97	Issued	Hypercom Corp.
Virtual POS Terminal (Australia)	684417	04/02/98	Issued	Hypercom Corp.
Virtual POS Terminal (Canada)	2,210,535	11/02/98	Issued	Hypercom Corp.
Virtual POS Terminal (EPO)	96904547.5	09/19/96	Pending	Hypercom Corp.
Virtual POS Terminal (Hong Kong)	98104709.7	06/11/98	Pending	Hypercom Corp.
Virtual POS Terminal (Japan)	2,968,047	08/20/99	Issued	Hypercom Corp.
Virtual POS Terminal (Korea)	0266951	06/29/00	Issued	Hypercom Corp.
Virtual POS Terminal (Mexico)	975656	07/25/97	Pending	Hypercom Corp.
Virtual POS Terminal (New Zealand)	302548	08/07/97	Issued	Hypercom Corp.
Virtual POS Terminal (Argentina)	P960101159	01/26/96	Pending	Hypercom Corp.
Virtual POS Terminal (Brazil)	PI9606934-1	07/25/97	Pending	Hypercom Corp.
Virtual POS Terminal (China)	96191614.1	07/28/97	Pending	Hypercom Corp.
Virtual POS Terminal (Czech Republic)	286 512	02/29/00	Issued	Hypercom Corp.
Virtual POS Terminal (Hungary)	P 98 01421	07/27/97	Pending	Hypercom Corp.
Virtual POS Terminal (India)	1360/DEL/96	01/25/96	Pending	Hypercom Corp.
Virtual POS Terminal (Indonesia)	P-960207	01/29/96	Pending	Hypercom Corp.
Virtual POS Terminal (Norway)	973437	07/25/97	Pending	Hypercom Corp.
Virtual POS Terminal (Philippines)	31351	08/25/99	Issued	Hypercom Corp.
Virtual POS Terminal (Poland)	P 321750	01/25/97	Pending	Hypercom Corp.



<i>Title</i>	<i>Application or Patent Number</i>	<i>Date Filed or Issued</i>	<i>Status</i>	<i>Owner of Record</i>
Virtual POS Terminal (Russian Federation)	2194901	08/20/99	Issued	Hypercom Corp.
Virtual POS Terminal (Singapore)	43625	11/16/98	Issued	Hypercom Corp.
Virtual POS Terminal (South Africa)	96/0632	09/25/96	Issued	Hypercom Corp.
Virtual POS Terminal (Thailand)	029828	01/26/96	Pending	Hypercom Corp.
Virtual POS Terminal (Turkey)	00699 B	07/25/97	Issued	Hypercom Corp.
Virtual POS Terminal (Malaysia)	PI 9600289	01/26/96	Pending	Hypercom Corp.
Virtual POS Terminal (Ukraine)	97084363M	08/06/97	Pending	Hypercom Corp.
POS Terminal w/Replaceable Printer Cartridge (Australia)	702062	05/27/99	Issued	Hypercom Corp.
POS Terminal w/Replaceable Printer Cartridge (EPO)	96921755.3	01/07/98	Pending	Hypercom Corp.
POS Terminal w/Replaceable Printer Cartridge (Hong Kong)	98105101.8	06/10/98	Pending	Hypercom Corp.
POS Terminal w/Replaceable Printer Cartridge (Mexico)	9710458	12/19/97	Pending	Hypercom Corp.
POS Terminal w/Replaceable Printer Cartridge (New Zealand)	311533	06/21/96	Issued	Hypercom Corp.
POS Terminal w/Replaceable Printer Cartridge (U.S. FWC)	5,844,219	12/01/98	Issued	Hypercom Corp.
POS Terminal w/Replaceable Printer Cartridge (Argentina)	337152	06/21/96	Pending	Hypercom Corp.
POS Terminal w/Replaceable Printer Cartridge (U.S. Continuation)	5,969,319	10/19/99	Issued	Hypercom Corp.
POS Terminal w/Replaceable Printer Cartridge (India)		06/18/96	Pending	Hypercom Corp.
POS Terminal w/Replaceable Printer Cartridge (Indonesia)	P-961799	06/24/96	Pending	Hypercom Corp.
POS Terminal w/Replaceable Printer Cartridge (Philippines)	53485	06/23/96	Pending	Hypercom Corp.
POS Terminal w/Replaceable Printer Cartridge (Singapore)	9705274-0	07/20/99	Issued	Hypercom Corp.
POS Terminal w/Replaceable Printer Cartridge (South Africa)	96/5305	06/21/96	Issued	Hypercom Corp.
POS Terminal w/Replaceable Printer Cartridge (Thailand)	032005	06/20/96	Pending	Hypercom Corp.
POS Terminal w/Replaceable Printer Cartridge (Malaysia)	PI 9602522	06/21/96	Pending	Hypercom Corp.

<i>Title</i>	<i>Application or Patent Number</i>	<i>Date Filed or Issued</i>	<i>Status</i>	<i>Owner of Record</i>
Hybrid Transport Switching Protocol (U.S.)	60/097,988 09/383,714	08/26/98 (Prov) 08/26/99 (Util)	Pending	Hypercom Corp.
Methods & Apparatus for a Fast-Train Modem System (U.S.) <b>Recorded at Reel 9388, Frame 0537</b>	09/130,737	08/07/98	Pending	Hypercom Corp.
Systems & Methods for Determining Optimal Dialing Parameters (U.S.) <b>Recorded at Reel 9581, Frame 0537</b>	09/184,201	11/02/98	Pending	Hypercom Corp.
Method & Apparatus for Point of Sale Device to Access Web (U.S.)	09/460,653	12/14/99	Pending	Hypercom Corp.
Method & Apparatus for Point of Sale Device to Access Web (U.S.)	PCT/US00/33556	12/11/00	Pending	Hypercom Corp.
Printed Pre-Paid Card System & Method (U.S.)	09/578,356	05/24/00	Pending	Hypercom Corp. & Blackstone Inc.
Printed Pre-Paid Card System & Method (PCT)	PCT/US01/14787	05/08/01	Pending	Hypercom Corp. & Blackstone Inc.

Patent Licenses

None.

**SCHEDULE B**

Trademarks and Trademark  
Applications

<i>Title</i>	<i>Application or Patent Number</i>	<i>Date Filed or Issued</i>	<i>Status</i>	<i>Owner of Record</i>
Hypercom – Block Letters (U.S.)	1,797,642	10/12/93	Registered	Hypercom Corp.
Hypercom – Block Letters (Australia)	635,530	04/04/95	Registered	Hypercom Corp.
Hypercom – Block Letters (Canada)	TMA503,528	11/03/98	Registered	Hypercom Corp.
Hypercom – Block Letters (France)	95555452	01/27/95	Registered	Hypercom Corp.
Hypercom – Block Letters (Germany)	395 05 276.9	07/21/98	Registered	Hypercom Corp.
Hypercom – Block Letters (Hong Kong)	13321 of 1999	07/28/95	Registered	Hypercom Corp.
Hypercom – Block Letters (South Korea)	349362	10/30/96	Registered	Hypercom Corp.
Hypercom – Block Letters (Mexico)	639987	01/31/00	Registered	Hypercom Corp.
Hypercom – Block Letters (New Zealand)	276729	05/15/97	Registered	Hypercom Corp.
Hypercom – Block Letters (Taiwan)	719229	06/16/96	Registered	Hypercom Corp.
Hypercom – Block Letters (Great Britain)	2008608	01/24/95	Registered	Hypercom Corp.
Hypercom – Block Letters (Argentina)	1.582.365	12/14/95	Registered	Hypercom Corp.
Hypercom – Block Letters (Benelux)	565490	01/26/95	Registered	Hypercom Corp.
Hypercom – Block Letters (Bolivia)	C-63093	03/11/97	Registered	Hypercom Corp.
Hypercom – Block Letters (China)	950110266	08/03/95	Pending	Hypercom Corp.
Hypercom – Block Letters (Colombia)	180228	09/29/95	Registered	Hypercom Corp.
Hypercom – Block Letters (Costa Rica)	94.280	01/04/96	Registered	Hypercom Corp.
Hypercom – Block Letters (Ecuador)	1980-96	11/12/96	Registered	Hypercom Corp.

<i>Title</i>	<i>Application or Patent Number</i>	<i>Date Filed or Issued</i>	<i>Status</i>	<i>Owner of Record</i>
Hypercom – Block Letters (El Salvador)	240	02/20/98	Registered	Hypercom Corp.
Hypercom – Block Letters (Guatemala)	90,738	03/26/98	Registered	Hypercom Corp.
Hypercom – Block Letters (Honduras)	64,050	01/11/96	Registered	Hypercom Corp.
Hypercom – Block Letters (Hungary)	148,716	03/09/95	Registered	Hypercom Corp.
Hypercom – Block Letters (India)	668952	06/13/95	Pending	Hypercom Corp.
Hypercom – Block Letters (Indonesia)	371793	06/16/95	Registered	Hypercom Corp.
Hypercom – Block Letters (Ireland)	166137	01/25/95	Registered	Hypercom Corp.
Hypercom – Block Letters (Italy)	716065	07/15/97	Registered	Hypercom Corp.
Hypercom – Block Letters (Nicaragua)	30,889	04/23/96	Registered	Hypercom Corp.
Hypercom – Block Letters (Panama)	76053	08/20/96	Registered	Hypercom Corp.
Hypercom – Block Letters (Paraguay)	185,081	05/23/96	Registered	Hypercom Corp.
Hypercom – Block Letters (Peru)	265501	08/21/95	Registered	Hypercom Corp.
Hypercom – Block Letters (Philippines)	4-1995-103723	11/09/99	Registered	Hypercom Corp.
Hypercom – Block Letters (Russia)	167645	09/15/98	Registered	Hypercom Corp.
Hypercom – Block Letters (Singapore)	4167/95	05/11/95	Registered	Hypercom Corp.
Hypercom – Block Letters (Sri Lanka)	74364	05/19/95	Registered	Hypercom Corp.
Hypercom – Block Letters (Uruguay)	277,555	03/12/97	Registered	Hypercom Corp.
Hypercom – Block Letters (Venezuela)	8856-95	06/21/95	Pending	Hypercom Corp.
Hypercom – Block Letters (Jamaica)	28,489	05/25/95	Registered	Hypercom Corp.
Hypercom – Block Letters (Pakistan)	129443	04/02/95	Pending	Hypercom Corp.
Hypercom – Block Letters (Malaysia)	95/08246	08/15/95	Pending	Hypercom Corp.
Hypercom – Design (U.S.)	1,796,301	10/05/93	Registered	Hypercom Corp.

<i>Title</i>	<i>Application or Patent Number</i>	<i>Date Filed or Issued</i>	<i>Status</i>	<i>Owner of Record</i>
Hypercom – Design (Australia)	635,529	07/21/94	Registered	Hypercom Corp.
Hypercom – Design (Canada)	TMA504,377	11/20/98	Registered	Hypercom Corp.
Hypercom – Design (France)	95555453	01/27/95	Registered	Hypercom Corp.
Hypercom – Design (Germany)	395 05 266.1	02/07/95	Pending	Hypercom Corp.
Hypercom – Design (Hong Kong)	13322 of 1999	07/28/95	Registered	Hypercom Corp.
Hypercom – Design (South Korea)	349361	10/31/96	Registered	Hypercom Corp.
Hypercom – Design (Mexico)	668518	08/28/00	Registered	Hypercom Corp.
Hypercom – Design (New Zealand)	276730	07/27/98	Registered	Hypercom Corp.
Hypercom – Design (Taiwan)	719288	06/16/96	Registered	Hypercom Corp.
Hypercom – Design (Great Britain)	2008604	01/24/95	Registered	Hypercom Corp.
Hypercom – Design (Argentina)	1.582.362	12/14/95	Registered	Hypercom Corp.
Hypercom – Design (Benelux)	567020	01/26/95	Registered	Hypercom Corp.
Hypercom – Design (Bolivia)	C-63092	03/11/97	Registered	Hypercom Corp.
Hypercom – Design (China)	1331302	11/07/99	Registered	Hypercom Corp.
Hypercom – Design (Colombia)	180226	09/29/95	Registered	Hypercom Corp.
Hypercom – Design (Costa Rica)	94.537	02/01/96	Registered	Hypercom Corp.
Hypercom – Design (Ecuador)	149-97	02/26/97	Registered	Hypercom Corp.
Hypercom – Design (El Salvador)	00133	09/02/98	Registered	Hypercom Corp.
Hypercom – Design (Guatemala)	99,088	10/15/99	Registered	Hypercom Corp.
Hypercom – Design (Honduras)	64,049	01/11/96	Registered	Hypercom Corp.
Hypercom – Design (Hungary)	148 736	03/09/95	Registered	Hypercom Corp.
Hypercom – Design (India)	668951	06/13/95	Pending	Hypercom Corp.

<i>Title</i>	<i>Application or Patent Number</i>	<i>Date Filed or Issued</i>	<i>Status</i>	<i>Owner of Record</i>
Hypercom – Design (Indonesia)	368268	06/16/95	Registered	Hypercom Corp.
Hypercom – Design (Ireland)	166138	01/25/95	Registered	Hypercom Corp.
Hypercom – Design (Italy)	716064	01/30/95	Registered	Hypercom Corp.
Hypercom – Design (Nicaragua)	30,875	04/22/96	Registered	Hypercom Corp.
Hypercom – Design (Panama)	76054	11/14/96	Registered	Hypercom Corp.
Hypercom – Design (Paraguay)	185,082	05/23/96	Registered	Hypercom Corp.
Hypercom – Design (Peru)	19085	09/15/95	Registered	Hypercom Corp.
Hypercom – Design (Philippines)	4-1995-103716	7/12/00	Registered	Hypercom Corp.
Hypercom – Design (Singapore)	4168/95	05/11/95	Registered	Hypercom Corp.
Hypercom – Design (Sri Lanka)	74365	11/26/97	Registered	Hypercom Corp.
Hypercom – Design (Thailand)	TM51614	09/29/95	Registered	Hypercom Corp.
Hypercom – Design (Uruguay)	277554	05/09/95	Pending	Hypercom Corp.
Hypercom – Design (Venezuela)	8855-95	06/21/95	Registered	Hypercom Corp.
Hypercom – Design (Jamaica)	29,300	05/25/95	Registered	Hypercom Corp.
Hypercom – Design (Pakistan)	129442	04/02/95	Pending	Hypercom Corp.
Hypercom – Design (Malaysia)	95/09247	08/16/95	Pending	Hypercom Corp.
Hypercom – Design (Spain)	2.219.133	03/09/99	Pending	Hypercom Corp.
Hypercom – Design (Portugal)	335,924	03/17/99	Pending	Hypercom Corp.
Virtual POS – Class 9 (U.S.)	2,074,607	06/24/97	Registered	Hypercom Corp.
Meganac – Class 9 (U.S.)	1,658,115	09/24/91	Registered	Hypercom Corp.
Minimac – Class 9 (U.S.)	1,751,043	02/09/93	Registered	Hypercom Corp.
Minirouter – Class 9 (U.S.)	1,956,902	02/13/96	Registered	Hypercom Corp.

<i>Title</i>	<i>Application or Patent Number</i>	<i>Date Filed or Issued</i>	<i>Status</i>	<i>Owner of Record</i>
Term-Master – Class 9 (U.S.)	1,921,780	09/26/95	Registered	Hypercom Corp.
Chipstripe – Class 9 (U.S.)	2,196,537	10/13/98	Registered	Hypercom Corp.
Realpay – Class 9 (U.S.)	75/444,040	03/02/98	Pending	Hypercom Corp.
Ascendent – Class 9 (U.S.)	2,322,397	02/22/00	Registered	Hypercom Corp.
Hypercom Fastpos – Class 9 (U.S.)	2,427,285	02/06/01	Registered	Hypercom Corp.
Ice-Pac – Class 9 (U.S.)	2,407,094	12/5/00	Registered	Hypercom Corp.
Ienview – Class 9 (U.S.)	75/652,010	03/02/99	Pending	Hypercom Corp.
IEN 2000 – Class 9 (U.S.)	75/662,922	03/18/99	Pending	Hypercom Corp.
ICE – Class 9, 16 and 36(European Community)	1882927	09/29/00	Pending	Hypercom Corp.
Hyperware – Class 9 (U.S.)	75/676,749	04/06/99	Pending	Hypercom Corp.
The Global Leader in Electronic Transaction Solutions – Class 9 (U.S.)	2,411,537	12/05/00	Registered	Hypercom Corp.
Hypercom.com – Class 9 & 42 (U.S.)	75/804,442	09/21/99	Pending	Hypercom Corp.
Putting the Commerce in Dot Com – Class 9 & 42 (U.S.)	75/804,440	09/21/99	Pending	Hypercom Corp.
EPIC (Stylized) – Class 9 (U.S.)	75/847,737	11/12/99	Pending	Hypercom Corp.
EPOS-Inforcommerce – Class 9 (U.S.)	75/867,705	12/10/99	Pending	Hypercom Corp.
Microtrax – Class 9 (U.S.)	76/151,181	10/20/00	Pending	Hypercom Corp.
Shophostz – Class 9 (U.S.)	75/909,019	02/03/00	Pending	Hypercom Corp.
Epicportz (Stylized) – Class 9 (U.S.)	75/916,994	02/10/00	Pending	Hypercom Corp.
WINEPS – Class 9 (U.S.)	76/151,183	10/20/00	Pending	Hypercom Corp.
WINEPS – Class 9 (Canada)	1,098,536	04/04/01	Pending	Hypercom Corp.
WINEPS – Class 9 (European Community)	2156909	03/30/01	Pending	Hypercom Corp.
WINEPS – Class 9 (Brazil)	823767434	4/19/01	Pending	Hypercom Corp.

<i>Title</i>	<i>Application or Patent Number</i>	<i>Date Filed or Issued</i>	<i>Status</i>	<i>Owner of Record</i>
Epicreceipts – Class 9 (U.S.)	76/011,067	03/23/00	Pending	Hypercom Corp.
Epicreceipts – Class 9 (EP)	001860428	09/19/00	Pending	Hypercom Corp.
Epicreceipts – Class 9 (Turkey)	80831	9/20/00	Pending	Hypercom Corp.
Epicwall – Class 9 (U.S.)	76/008,042	03/23/00	Pending	Hypercom Corp.
Epicwall – Class 9 (Turkey)	80833	9/20/00	Pending	Hypercom Corp.
Epiccommerce – Class 9 (U.S.)	76/011,557	03/24/00	Pending	Hypercom Corp.
Epiccommerce – Class 9 (Turkey)	80835	9/20/00	Pending	Hypercom Corp.
Epicpack – Class 9 (U.S.)	76/008,076	03/23/00	Pending	Hypercom Corp.
Epicpack – Class 9 (Turkey)	80832	9/20/00	Pending	Hypercom Corp.
Epicmail – Class 9 (U.S.)	76/012,321	03/24/00	Pending	Hypercom Corp.
Epicmail – Class 9 (EP)	001860154	9/19/00	Pending	Hypercom Corp.
Epicmail – Class 9 (Turkey)	80834	9/20/00	Pending	Hypercom Corp.
Epicnetz (Block) – Class 9 (EP)	001861186	9/19/00	Pending	Hypercom Corp.
Epicnetz (Block) – Class 9 (Turkey)	80830	9/20/00	Pending	Hypercom Corp.
IEN 2500 – Class 9 (U.S.)	2,431,735	02/27/01	Registered	Hypercom Corp.
IEN 4000 – Class 9 (U.S.)	2,431,736	02/27/01	Registered	Hypercom Corp.
IEN 6000 – Class 9 (U.S.)	2,431,746	02/27/01	Registered	Hypercom Corp.
Browser-Powered – Class 9 (U.S.)	76/053,859	05/19/00	Pending	Hypercom Corp.
Epictranz – Class 9 (EP)	001984590	12/4/00	Pending	Hypercom Corp.
Epictranz – Class 9 (Turkey)	106711	12/4/00	Pending	Hypercom Corp.
Fastcom – Class 9 (U.S.)	76/161,777	11/8/00	Pending	Hypercom Corp.
Hypersmart – Class 9 (U.S.)	76/210,423	2/14/01	Pending	Hypercom Corp.



<i>Title</i>	<i>Application or Patent Number</i>	<i>Date Filed or Issued</i>	<i>Status</i>	<i>Owner of Record</i>
Benefit From Our Solutions – Class 9 (U.S.)	76/259,130	5/16/01	Pending	Hypercom Corp.

**SCHEDULE C**

None.